

ing Division of the Air Service of the Army; to the Committee on Military Affairs.

By Mr. HUDSPETH: A bill (H. R. 13450) to amend section 108 of the Judicial Code, as amended, and for other purposes; to the Committee on the Judiciary.

By Mr. SMITH of Idaho: A bill (H. R. 13451) providing for retirement of officers of the Army in certain cases; to the Committee on Military Affairs.

By Mr. SNYDER: A bill (H. R. 13452) to ascertain and settle the title to lands and waters in New Mexico belonging to the Pueblo Indians, to preserve their ancient customs, rites, and tribal ceremonies, and providing an exclusive forum wherein all controversies as to the rights of the Pueblo Indians may be adjudicated; to the Committee on Indian Affairs.

By Mr. COUGHLIN: A bill (H. R. 13453) to enlarge, extend, and remodel the post-office building at Wilkes-Barre, Pa., on the present site; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13454) to enlarge, extend, and remodel the post-office building at Hazleton, Pa., on the present site; to the Committee on Public Buildings and Grounds.

By Mr. ROBSION: A bill (H. R. 13455) to provide for the erection of a public building at Corbin, in the State of Kentucky; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13456) to provide for the erection of a public building at Pineville, in the State of Kentucky; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13457) to provide for the erection of a public building at Barbourville, in the State of Kentucky; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13458) to provide for the erection of a public building at Harlan, in the State of Kentucky; to the Committee on Public Buildings and Grounds.

By Mr. KOPP: A bill (H. R. 13459) extending the jurisdiction of the Mississippi River Commission and making available funds appropriated under authority of an act entitled "An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes," approved March 1, 1917, for the purpose of controlling the floods of the Mississippi River from the mouth of the Ohio River to Rock Island, Ill., and for the purpose of controlling the floods of the tributaries of the Mississippi River between the mouth of the Ohio River and Rock Island, Ill., including levee protection and bank protection, in so far as said tributaries are affected by the flood waters of the Mississippi River; to the Committee on Flood Control.

By Mr. DEAL: A bill (H. R. 13460) to authorize the Secretary of the Treasury to acquire, by condemnation or otherwise, such additional land in the city of Norfolk, Va., as may be necessary for the enlargement of the post-office building in said city, to cause said building to be enlarged, and making an appropriation therefor; to the Committee on Public Buildings and Grounds.

By Mr. LINEBERGER: Joint resolution (H. J. Res. 413) proposing an amendment to the Constitution of the United States; to the Committee on Election of President, Vice President, and Representatives in Congress.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEGG: A bill (H. R. 13461) granting a pension to Jesse Angle; to the Committee on Pensions.

By Mr. BURROUGHS: A bill (H. R. 13462) for the relief of Daniel F. Healy; to the Committee on Claims.

By Mr. FITZGERALD: A bill (H. R. 13463) granting an increase of pension to Harry W. McCammon; to the Committee on Pensions.

By Mr. HAWLEY: A bill (H. R. 13464) granting a pension to Charles F. Mitchell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13465) for the relief of Alvin Harder; to the Committee on Military Affairs.

By Mr. HILL: A bill (H. R. 13466) granting a pension to Johanna Malone; to the Committee on Pensions.

Also, a bill (H. R. 13467) granting a pension to Richard A. Miller; to the Committee on Pensions.

Also, a bill (H. R. 13468) for the relief of W. E. Knickman; to the Committee on Claims.

By Mr. JOHNSON of Washington: A bill (H. R. 13469) granting a pension to Emma Gwinn; to the Committee on Invalid Pensions.

By Mr. MOORE of Ohio: A bill (H. R. 13470) granting a pension to Nellie A. Farley; to the Committee on Invalid Pensions.

By Mr. J. M. NELSON: A bill (H. R. 13471) granting an increase of pension to Mary Tichenor; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 13472) granting a pension to Elizabeth Fry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13473) granting a pension to Charles Fremont Kuntz; to the Committee on Invalid Pensions.

By Mr. IRELAND: Resolution (H. Res. 472) providing for six months' salary to be paid the widow of John Rome; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6618. By Mr. CRAMTON: Memorial of the Athena Woman's Club, Algonac, Mich., urging that our Government take the necessary steps to put an end to Turkish rule over the Christians; to the Committee on Foreign Affairs.

6619. Also, memorial of the Woman's Christian Temperance Union, of Kingston, Mich., urging the influence of the United States be used to save the remnant of the Armenians from extermination by the Turks; to the Committee on Foreign Affairs.

6620. Also, memorial of the Alexander Macomb Chapter, Daughters American Revolution, Mount Clemens, Mich., urging the checking of future immigration from Europe; to the Committee on Immigration and Naturalization.

6621. By Mr. FOCHT: Petition from citizens of Pennsylvania in regard to Sunday blue laws in the District of Columbia; to the Committee on the District of Columbia.

6622. By Mr. KISSEL: Petition of Lawyers Mortgage Co., Richard M. Hurd, Esq., president, Brooklyn, N. Y., favoring the passage of the Green resolution, which provides for a constitutional amendment eliminating tax exemptions; to the Committee on the Judiciary.

6623. By Mr. PARKER of New Jersey: Resolution adopted by the New Jersey Society Sons of the American Revolution urging the erection of a memorial bridge across the Delaware River to commemorate Washington crossing the Delaware, December 25 and 26, 1776; to the Committee on the Library.

6624. By Mr. STEENERSON: Petition of L. G. Hancock and others, Fosston, Minn., to abolish discriminatory tax on small-arms ammunition and firearms; to the Committee on Ways and Means.

6625. Also, petition of the First State Bank of Dalton, Minn., and others, to relieve or help relieve the situation of the farmer; to the Committee on Agriculture.

6626. By Mr. TINKHAM: Petition of citizens of the Republic of the United States assembled in mass meeting at Symphony Hall, Boston, Mass., on December 3, 1922, expressing faith in the Irish Republic and the wise statesmanship of Eamonn De Valera; to the Committee on Foreign Affairs.

SENATE.

MONDAY, December 18, 1922.

(Legislative day of Saturday, December 16, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

HOLM O. BURSUM, a Senator from the State of New Mexico, and JAMES A. REED, a Senator from the State of Missouri, appeared in their seats to-day.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Asbust	Fletcher	Lodge	Robinson
Ball	France	McCumber	Sheppard
Bayard	George	McKinley	Shortridge
Borah	Glass	McLean	Simmons
Brandegge	Gooding	McNary	Smith
Brookhart	Hale	Moses	Smoot
Bursum	Harrell	Myers	Spencer
Cameron	Harris	New	Stanley
Capper	Harrison	Nicholson	Sterling
Caraway	Heflin	Norbeck	Sutherland
Colt	Hitchcock	Norris	Townsend
Couzens	Johnson	Overman	Trammell
Culberson	Jones, Wash.	Page	Underwood
Cummins	Kendrick	Pepper	Wadsworth
Curtis	Keyes	Philpps	Walsh, Mont.
Dial	Ladd	Pomerene	Warren
Dillingham	La Follette	Ransdell	Watson
Ernst	Lenroot	Reed, Mo.	Weller

Mr. CURTIS. I was requested to announce that the Senator from Ohio [Mr. WILLIS] is necessarily absent on account of illness in his family.

I was also requested to announce that the Senator from Maine [Mr. FERNALD] is detained on official business.

The PRESIDENT pro tempore. Seventy-two Senators have answered to their names. There is a quorum present.

ELECTIVE FRANCHISE IN THE DISTRICT OF COLUMBIA.

Mr. BALL presented a resolution of the Kalorama Citizens' Association of Washington, D. C., which was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

KALORAMA CITIZENS' ASSOCIATION,
Washington, D. C., December 12, 1922.

CHAIRMAN OF THE SENATE COMMITTEE

FOR THE DISTRICT OF COLUMBIA,
Senate Office Building, Washington, D. C.

SIR: At the last meeting of the Kalorama Citizens' Association, the following resolution was unanimously adopted:

"Resolved by the Kalorama Citizens' Association in regular meeting assembled, That the so-called Poindexter bill (S. 14) providing for the election of a Delegate to the House of Representatives from the District of Columbia, in no manner meets the legitimate and just claims of the District for a voice in the affairs of the Government, and therefore should not receive the support of those who believe that the District is entitled by every consideration of equity, justice, and Americanism to share the privilege and responsibilities of complete national suffrage accorded to all other citizens of the Republic.

"Resolved further, That the association unreservedly indorses Senate Joint Resolution 133 (the so-called Jones resolution) proposing an amendment to the Constitution of the United States, under which Congress will be empowered to remove the stigma of disfranchisement from the citizens of the District and grant them the right of representation so dearly prized by every free man and woman.

"Resolved further, That a copy of this resolution be forwarded to the chairman of the respective Committees of the District of Columbia of the two Houses of Congress and to each citizens' association with the request that such association take similar action, and further requesting the chairman of the District Committee of the Senate to have this resolution printed in the CONGRESSIONAL RECORD."

It is respectfully urged that your committee do all that is possible to further the desires and sentiments of the members of the association as expressed in the resolution.

Respectfully,

EDW. R. WALTON, Jr., Secretary.

PATROL DRIVERS, METROPOLITAN POLICE.

Mr. BALL, from the Committee on the District of Columbia, to which was referred the bill (S. 3252) to amend paragraph 8 of the act entitled "An act relating to the Metropolitan police of the District of Columbia," approved February 28, 1901, as amended, reported it without amendment and submitted a report (No. 951) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMOOT:

A bill (S. 4194) granting a pension to Nellie Berry; and A bill (S. 4195) granting a pension to Harrison Sperry; to the Committee on Pensions.

By Mr. BROOKHART:

A bill (S. 4196) defining the legal status of all children under 18 years of age in the District of Columbia; creating a parental court; and providing for a child relief allowance for the assistance of certain mothers; to the Committee on the District of Columbia.

By Mr. WATSON:

A bill (S. 4197) to authorize the Secretary of the Interior to issue to certain persons and certain corporations permits to explore, or leases of, certain lands that lie south of the medial line of the main channel of Red River, in Oklahoma, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. TOWNSEND:

A bill (S. 4199) to refund to Clinton G. Edgar income tax erroneously and illegally collected; to the Committee on Claims.

WORLD WAR FOREIGN DEBT COMMISSION.

Mr. HARRIS. I introduce a bill which I ask may be read at length.

The bill (S. 4198) to increase the personnel of the Foreign Debt Commission, was read the first time by its title and the second time at length, as follows:

Be it enacted, etc., That the first section of the act entitled "An act to create a commission authorized under certain conditions to refund or convert obligations of foreign governments held by the United States of America, and for other purposes," approved February 9, 1922, is amended to read as follows:

"That a World War foreign debt commission is hereby created consisting of eight members, one of whom shall be the Secretary of the Treasury, who shall serve as chairman, and seven of whom shall be appointed by the President, by and with the advice and consent of the Senate. Not more than four members so appointed shall be from the same political party."

Mr. HARRIS. Mr. President, this measure is not offered in any partisan spirit. In fact, it is offered to prevent any partisan spirit in the solution of the great problem involved which will have to be solved ultimately by the Foreign Debt Commission and Congress. I have no criticism whatever of the splendid men who were appointed on the commission. They are among the very best men in our country. But they are all five Republicans, and I believe if both parties in Congress were represented on the commission we would get it away from partisan politics and solve the problem much better than if handled by a strictly partisan commission. My bill would increase the commission to eight members, permitting the President to appoint three Democrats, preferably Members of Congress. This would not be any expense.

The Sixty-ninth Congress and others after that may have a majority of Democrats. A Democratic President may be in office, and if the debt-funding commission is now made non-partisan, it will prove a continuous body instead of furnishing agitation to turn out all the Republican members of the commission and substitute Democrats.

Mr. President, I introduced in the Senate the first resolution on this matter declaring it to be the sense of the Senate that no debts owed the United States by European governments should be canceled, and I still believe these countries in the course of time will be able and should pay to our country all of their indebtedness.

I move that the bill be referred to the Committee on Finance. The motion was agreed to.

REGENT OF THE SMITHSONIAN INSTITUTION.

Mr. STANLEY. I introduce a joint resolution which is a mere matter of form—the selection of a regent for the Smithsonian Institution to fill a vacancy. I ask that it be read at length.

The joint resolution (S. J. Res. 258) providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress was read the first time by its title, and the second time at length, as follows:

Resolved, etc., That the vacancy in the Board of Regents of the Smithsonian Institution, in the class other than Members of Congress, caused by the expiration of the term of Alexander Graham Bell, of Washington, District of Columbia, be filled by the appointment of Irwin B. Laughlin, of Pennsylvania.

Mr. STANLEY. I ask unanimous consent for the immediate consideration of the joint resolution.

Mr. JONES of Washington. I will not object, Mr. President, on the theory that it will lead to no discussion.

Mr. STANLEY. It will lead to no discussion.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PRESIDENTIAL APPROVAL.

A message from the President of the United States by Mr. Latta, one of his secretaries, announced that on December 16, 1922, the President approved and signed the act (S. 3195) to authorize the Secretary of the Interior to accept completion of Carey segregation No. 11 and to issue patent therefor.

STATISTICS OF FOREIGN COMMERCE—CONFERENCE REPORT.

Mr. JONES of Washington. I submit a conference report. I do not ask for its consideration but simply present it.

The report was ordered to lie on the table, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3295) to consolidate the work of collecting, compiling, and publishing statistics of the foreign commerce of the United States in the Department of Commerce, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, and 3, and agree to the same.

W. L. JONES,

KNUTE NELSON,

DUNCAN U. FLETCHER,

Managers on the part of the Senate.

J. W. FORDNEY,

W. R. GREEN,

W. C. HAWLEY,

JNO. N. GARNER,

J. W. COLLIER,

Managers on the part of the House.

THE MERCHANT MARINE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes.

The PRESIDENT pro tempore. The pending question is the motion of the Senator from Nebraska [Mr. NORRIS] to proceed to the consideration of the bill (S. 4050) to provide for the purchase and sale of farm products.

Mr. RANDELL addressed the Senate. After having spoken for some time,

Mr. JONES of Washington. Mr. President, may I interrupt the Senator for just a moment?

Mr. RANDELL. I yield.

Mr. JONES of Washington. I ask unanimous consent that the Senate agree to vote upon the Norris motion to-morrow at 4 o'clock, with the understanding that when the Senate closes its business to-day it shall recess until 12 o'clock to-morrow.

The PRESIDENT pro tempore. Does the Senator from Louisiana yield for that purpose?

Mr. RANDELL. I do.

The PRESIDENT pro tempore. The Secretary will state the proposal.

The READING CLERK. The Senator from Washington asks unanimous consent that when the Senate completes its work to-day it shall recess until 12 o'clock to-morrow, and at 4 o'clock to-morrow vote upon the motion submitted by the junior Senator from Nebraska [Mr. NORRIS] to proceed to the consideration of Senate bill 4050, to provide for the purchase and sale of farm products.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Washington?

Mr. REED of Missouri. We want to know something more about it.

Mr. JONES of Washington. It is satisfactory to the junior Senator from Nebraska.

Mr. FLETCHER. I rose to ask if it would be satisfactory to the junior Senator from Nebraska.

Mr. NORRIS. So far as I am concerned, it is agreeable to me. It is not fixing a time for a vote on the bill.

Mr. JONES of Washington. It is for a vote on the motion.

Mr. NORRIS. Simply a vote on the motion to take up the bill.

Mr. McKELLAR. To take up the bill the Senator from Nebraska reported?

Mr. NORRIS. Yes; to take up the bill I reported.

Mr. SMITH. At what hour does the Senator propose to have the vote taken?

Mr. JONES of Washington. At 4 o'clock.

The PRESIDENT pro tempore. The request of the Senator from Washington is that when the Senate completes its business to-night it shall take a recess until 12 o'clock to-morrow, and that at 4 o'clock to-morrow a vote upon the pending motion shall be taken.

Mr. McLEAN. Mr. President, I shall not object to the unanimous-consent proposal offered by the Senator from Washington, but I think I ought to inform the Senate that the Committee on Banking and Currency is now holding hearings on several bills which have been introduced by Senators covering the agricultural credit situation, and we are to have hearings this afternoon at which we expect important witnesses to appear. I think it will be the desire of the members of the Committee on Banking and Currency to attend that meeting this afternoon at 2 o'clock. For that reason I hope that during the two hours which will be allotted to the consideration of the motion to-morrow the members of the Committee on Banking and Currency will have a fair portion of the time. I would like to have five or six minutes to express my views in regard to the motion of the Senator from Nebraska.

Mr. JONES of Washington. I suggest that if any Senator desires to talk on the motion we will have all the time between now and 4 o'clock to-morrow, as far as that is concerned. My suggestion that we take a recess from to-day until 12 o'clock to-morrow was made to accommodate the committee which is holding hearings, and also I had in mind what the Senator has said with reference to the hearings this afternoon.

Mr. McLEAN. I simply want to give notice that I should like to have 5 or 10 minutes to-morrow afternoon to make a brief statement.

Mr. JONES of Washington. All right. There will be four hours to-morrow to debate the motion.

Mr. NORRIS. Mr. President, I do not wish to cut anybody out who wants to make any remarks on the motion, but the junior Senator from Iowa [Mr. BROOKHART] told me that he expects to speak on the motion, and I judge from what he said

that his remarks will be at some length—not a very long address, but longer than the Senator from Connecticut has intimated he wants to speak. I do not desire to have any understanding which will cut the junior Senator from Iowa out. As far as I know now the time suggested by the Senator from Washington will give ample opportunity for everyone who has signified any idea that he wants to talk to speak as long as he may wish.

Mr. SMITH. What is to hinder any Senator who desires to discuss the proposition under consideration from talking on it to-day?

Mr. NORRIS. Nothing.

Mr. SMITH. We have from now until 4 o'clock to-morrow afternoon to discuss it.

Mr. McLEAN. But the Committee on Banking and Currency will be engaged this afternoon in a very important hearing, and it will be impossible for the members of that committee to be in both places.

Mr. JONES of Washington. There will be four hours to-morrow.

Mr. HARRISON. May I ask the Senator from Connecticut, who is chairman of the Banking and Currency Committee, a question? That committee has been holding hearings for several days, I understand, on some bill. Can the Senator tell the Senate when, in all probability, they will conclude the hearings and be able to report?

Mr. McLEAN. We expect to conclude the hearings to-morrow or Wednesday, and in all probability we shall be able to report out a bill early next week.

Mr. HARRISON. About Monday of next week, does the Senator say?

Mr. McLEAN. Early next week. I would not fix the exact day.

Mr. HARRISON. The Christmas holidays are coming on. Is it the intention of the Senator to report the bill before the Christmas holidays?

Mr. McLEAN. It is my understanding that the adjournment over the Christmas holidays will be but two days, but I may be mistaken about that.

Mr. HEFLIN. I hope the Senator is mistaken, and I think he is. I do not think there will be a quorum here during the holidays.

Mr. McLEAN. I do not know; I am not responsible for that. Mr. SMITH. Did I understand the Senator to say that he thought by Monday or Tuesday of next week the Committee on Banking and Currency would be ready to report their bill?

Mr. McLEAN. We hope to do so.

Mr. WATSON. Monday will be Christmas. Of course, there will be no session on that day.

Mr. McLEAN. We certainly will get the bill out immediately after New Year's. If the Senate is in session, I think we will report it next week.

Mr. WATSON. My understanding is that it is the present intention to adjourn from Friday evening until Tuesday morning. In that event the committee could bring out its bill next week, according to the statement of the chairman.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Washington?

Mr. HARRISON. Was the last request to agree to vote at 2 o'clock or 4 o'clock?

Mr. NORRIS. At 4 o'clock.

The PRESIDENT pro tempore. So that there may be no misunderstanding, the Chair will state the proposed agreement again, as the Chair understood it. It is that when the session of to-day ends the Senate will take a recess until 12 o'clock to-morrow, and that at 4 o'clock to-morrow the Senate will proceed to vote upon the motion of the junior Senator from Nebraska.

Mr. HARRISON. Reserving the right to object, can we not have it understood that the time for discussion will be divided equally between those who are for the motion and those who are opposed to the motion? Will not the Senator who made the request incorporate that?

Mr. JONES of Washington. It would be very unusual for the Senate to do that. I anticipate that everybody who will desire to talk on the motion will have full opportunity to do it between now and 4 o'clock to-morrow. I do not know of anyone on this side who wants to speak on it.

Mr. POMERENE. Mr. President, it has been suggested that at least one Senator might desire to speak at length upon the motion. I do not know what that means. It may mean one hour, it may mean four hours, under the rule of unlimited debate. It is hardly a fair proposition to say that we are going to vote on an important matter of this kind at 4 o'clock without having some kind of an understanding as to a division of

time. It is not quite the right thing to be advised in advance that 1 Senator may want a considerable time and the other 95 Senators may not have any time.

Mr. JONES of Washington. I desire to say that I have no objection, personally, to providing as a part of the agreement that the time shall be divided equally between the opposition and those favoring the motion. I suppose the time would be divided and controlled by the Chair. It is such an unusual proceeding for the Senate that I do not know how it would work, but I, myself, have no objection to it.

The PRESIDENT pro tempore. The Chair desires to propound this inquiry to the Senate: Inasmuch as a Senator can speak on any subject and may be speaking neither for nor against the motion, how can the Chair control the situation?

Mr. JONES of Washington. We are not going to displace the unfinished business between now and 4 o'clock to-morrow. The unfinished business will be before the Senate to be proceeded with.

Mr. McKELLAR. Will the Senator from Washington yield to me to ask the Senator from Nebraska a question?

Mr. JONES of Washington. Certainly.

Mr. McKELLAR. Is it the intention of the Senator from Nebraska between now and 4 o'clock to-morrow to make a speech explaining this bill? I think the Senate ought to know something about the bill before we vote on taking it up, and I think we ought to have sufficient time for that purpose.

Mr. NORRIS. I presumed that Senators knew about it. I do not want to inflict a speech on the Senate.

Mr. McKELLAR. I will say very frankly to the Senator that I have been busily engaged on the shipping bill, and I have not examined his bill. I would like to examine it. It seems to me that the time between now and 4 o'clock to-morrow afternoon is very short.

Mr. NORRIS. I assume it is going to be discussed by those who debate the question, and I may want to discuss it before we get through. But since there seems to be some doubt, may I ask the Senator from Washington to withdraw the request and let the debate on the shipping bill proceed?

Mr. McKELLAR. I hope the Senator will do that for the present.

Mr. JONES of Washington. Very well; I withdraw the request.

The PRESIDENT pro tempore. The request for unanimous consent is withdrawn, and the Senator from Louisiana will proceed.

Mr. RANDELL resumed and concluded his speech, which is, entire, as follows:

Mr. RANDELL. Mr. President, a few days ago I gave notice that at the opening of the session to-day I would discuss the pending shipping bill, and I should like to do so at this time.

I wish to call attention to the fact that there are a great many interesting and important features in the bill in addition to the so-called aid or subsidy feature thereof. Those matters have not been emphasized very much to date, and I wish to discuss them briefly, not in detail, but to have Senators understand that entirely aside from the so-called subsidy feature it is a most excellent bill. I wish to say right here, however, that in my judgment it would not be effective and would not produce the results we seek to obtain unless one of two things happens: First, to make effective the discriminating duty provisions now on the statute books and held in abeyance because of our treaty relations with many of the nations of the world, to make effective the provisions referred to in section 34 of the shipping act of 1920, which section instructed and authorized the President of the United States to denounce the treaties with foreign countries which contravened the discriminating duty provision of the law—place that provision in effect, I say, and give us the benefit of discriminating duties which built up our merchant marine in the early days, for, Senators, it is a fact known to all who have studied the matter that one of the very first acts of Congress in 1789 was to provide discriminating duties in favor of goods brought to this country in American bottoms.

It seems, sir, impossible to put into effect that discriminating duty provision, and in lieu thereof the only thing that so far has been presented to the Congress which in my humble opinion promises any real measure of relief is the direct aid, the so-called subsidy. I do not intend to discuss that in detail. It has already been gone into by others.

But, Mr. President, there are other features of the bill to which I wish to call special attention. One, sir, is the revolving loan fund of \$125,000,000, provided for the purpose of assisting shipbuilders and ship companies to construct the

many vessels which are needed to constitute a well-balanced fleet. Mr. President and Senators, we have not a well-balanced merchant marine at this time. We have a very large tonnage, but most of our ships are not of the combined freight and passenger type—fast vessels, vessels that can build up our trade with foreign lands not only by carrying freight to and from those lands but by carrying passengers as well; vessels which in time of war may, if necessary, be converted into auxiliary cruisers. We are very short of vessels of that character. I will go into that more in detail later, but let me say at this moment that in the merchant marine of Great Britain there are 194 magnificent steel vessels of the combined freight and passenger type which have a speed of from 15 to 27 knots an hour. Every one of those vessels, sir, is a potential auxiliary cruiser, and we have only 50 such vessels. We need a great many more such vessels in order to build up our merchant marine and to strengthen our Navy, and aid for ships of this character is provided in the revolving loan fund of \$125,000,000 which is proposed in the pending bill.

This fund is in no sense a subsidy. Not more than two-thirds of the cost of a ship or two-thirds of the cost of reconstructing and refurbishing such ship is ever to be loaned under this fund. The Government is to be secured by a first mortgage on the ship and the interest rate, it is provided, shall not be less than 4½ per cent. It is a strict business proposition. In the same sense that we established the Federal Reserve Board for the business interests of this country, for the benefit of bankers, merchants, and others, and that we established the Federal land bank in order to aid agriculture by lending money to our farmers, so this revolving loan fund would provide money for shipbuilders. It is a most important feature of the bill, and I hope those who oppose the measure so strenuously will bear that feature in mind.

Another feature of the bill which is also very important is that which provides for the creation of a national insurance fund for the purpose of insuring the cargo and the vessel which is engaged in foreign trade. It is very important, Senators, that the great business of insuring our foreign commerce be placed in American insurance companies. The premiums paid out for that purpose aggregate very large sums. We have only a limited number of marine insurance companies in America, while there are a great many such companies abroad, and a large percentage of the marine insurance of this country has in the past been written by those foreign insurance companies. The insurance provisions of the pending bill seek to do this: If foreign insurance companies offer a lesser premium rate than that which is offered by American insurance companies, then the insurance loan fund will allow that insurance to be placed by American companies at the rate offered by the foreign companies, so the insured will receive the benefit of the lowest possible rate and the money will remain in this country.

Another good provision of the bill, sir, is that which provides for the payment of extra compensation to vessels for carrying the mail. Not only will the fast vessels which carry the mails receive the compensation or subsidy, as do other vessels, but they will be paid for service rendered a fair amount for carrying the mails. That will be of immense benefit in a business way.

Another feature of the bill to which I call attention is that which provides that one-half of the immigrants coming into this country must hereafter, if this bill shall pass, come in American ships. In the past most of the immigrants who have come—and the passage moneys which have been paid by them have aggregated very large sums—have come in foreign ships. This bill provides that not less than 50 per cent of the immigrants must come in American bottoms.

There is another provision of the bill to the effect that in the case of any company or any individual owning and operating ships and desiring to receive the benefit of the direct aid provided in the pending bill, not less than one-half of the tonnage of such individual company must be registered under the American flag; in other words, if an individual owns a few American ships and a great many foreign ships he can not receive the benefit of the direct aid provided in this bill, as not less than 50 per cent of all his tonnage must be registered under the American flag in order to receive such benefit.

MAINTENANCE OF TRADE ROUTES ESSENTIAL.

Then there is a provision which is of especial benefit to the people of the West, of the South, of the Gulf, and of the South Atlantic. That provision is that service must be maintained on routes which have been established by the Shipping Board. There have been a great many routes established from the South Atlantic, the Gulf coast, and the Pacific coast cities. The pending bill provides that the routes and service thereon must be maintained for a reasonable time in order to ascertain

whether or not such service may be profitable and businesslike. It is most important for the small communities whose people in the past have not been sea minded to have lines of ships running from their localities to the ports of the world.

Then there is in the bill a provision requiring that in time of war all vessels of every kind and sort which receive any direct aid under this bill shall, on request of the President, be requisitioned for the public service. It is needless for me to comment on the value of that provision.

The bill further provides that the Army and Navy transport service between this country and our island possessions, or between this country and foreign lands, shall, as soon as practicable, be carried on in the vessels which receive the direct aid; that we shall do away with the Army transport service and the Navy transport service, and also do away with a number of ships which really would be useless if we had a well-developed merchant marine, and hereafter conduct that service in our regular merchant vessels.

Next, there is a provision to which I call the especial attention of all friends of inland waterways. That provision is clear, plain, and unmistakable, and I shall read it into the Record. For many years, Senators, we have been trying to encourage and develop water transportation. I see some good friends of water transportation on the floor, and I hope they will do me the honor of listening to this plain and simple provision:

It is hereby declared to be the policy of Congress to promote, encourage, and develop water transportation service and facilities in connection with the commerce of the United States, and to foster and preserve in full vigor both rail and water transportation, and the board—

That is, the Shipping Board—
and the commission—

The Interstate Commerce Commission, previously referred to—

are hereby severally authorized, empowered, and directed to cooperate to that end.

Then the provision proceeds to make it perfectly clear, emphatic, and positive, so that no one can misunderstand, that it is the intention of Congress to build up and maintain a fair spirit of cooperation and coordination of service between the railroads and the waterways of this country; not alone, sir, the ocean waterways, but the interior, the internal waterways. This is the most comprehensive declaration on that subject ever suggested to Congress, and if the bill containing this provision shall become a law the internal waterways of this land, which in the past, to a very great extent, have been strangled by the unfair efforts of railroads, will come into their own again. The provision will not be enforced in any way, nor is such a thing contemplated, to injure the railroads. We simply ask fair play and justice for the waterways and fair play and justice for the railways.

The last provision to which I call attention is one making it imperative that hereafter when officials of this Government, those who receive their pay from the public, take an ocean voyage on official business they must travel in ships flying the American flag. Mr. President and Senators, it has been almost a public scandal in the past, at least until very recently, that public officials, public servants, in traveling abroad have not sought American ships, but have used foreign ships. Of course, no one seeks impossibilities. This measure does not provide the impossible; but it says that if it be reasonably possible for these officials to use American ships they must do so, under penalty of having the charges for their trip disallowed and not paid by the Government. There is the same provision in regard to freights across the water. Those freights must also be carried in American ships.

Senators, I have gone into this matter very briefly, with the hope that those of you who are inclined to oppose this bill will study its features other than the subsidy feature, for I say to you that there are many wise provisions in the measure, many provisions which will tend to assist to build up and to strengthen the American merchant marine, entirely outside of the subsidy feature. Again I wish to emphasize, however, in that connection that unless we get either this subsidy feature, this direct aid, or by some hook or crook put into operation the discriminating features of existing law we need not adopt any provision whatever in this bill.

ONLY ALTERNATIVE IS GOVERNMENT OPERATION.

Mr. President, the only substitute offered so far by the opponents of this measure is a continuation of Government ownership. One of the Senators, in what appears to be rather an indefinite manner, seems to suggest some kind of a body or some individual to carry on Government operation of our present great fleet for an indefinite period of time—perhaps until times get better. He intimates that later on we can sell these ships

for a very much larger sum than they would sell for now, and in the meantime he suggests having them operated by somebody. The indication is that he wants to get rid of the present Shipping Board.

Another Senator suggests that we turn over the fleet to the Department of Commerce. Now, Senators, it seems to me that after the experience of this country with the Government operation of railroads, and the experience of this country so far with the Government operation of ships, we should go very slowly to establish any new governmental agency to handle such a large enterprise as our merchant marine.

We did not make a success, Senators, when we operated the railroads. We have not made a success of our operation of the merchant marine so far. I am not criticizing individuals. I have nothing but kind thoughts about the men who undertook the mighty task of operating the railroads of this country in war times. I have nothing but kind thoughts and kind words about the men who, at the request of the former President of the United States, Mr. Wilson, and our present President, Mr. Harding, have given the very best there was in them toward handling our great fleets. My statement is this: These gentlemen undertook impossible tasks. They did the best they could with them. They did not succeed, through no fault of their own; and it is our duty, sirs, to place the ships in private hands, just as we placed the railroads back in private hands some time ago.

Mr. HEFLIN. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Alabama?

Mr. RANSDELL. I yield for a question.

Mr. HEFLIN. I call to the Senator's attention the testimony of Mr. Lasker, who said that he had not sought business with these ships; that they only took that which was offered. I submit to the Senator and to the Senate that it does not seem that a very great effort has been made to get business and to make this business a success.

Mr. RANSDELL. Mr. President, I do not intend to be diverted from the line of my remarks. I do not recall the testimony to which the Senator refers. If he says it, I have not a bit of doubt that Mr. Lasker made some such statement; but, Mr. President and Senators, I have been in close contact with the Shipping Board since we passed the first shipping law in 1916.

I have known personally every one of the men connected with it, the various members of it, and I know that they have done the very best they could to carry on the mercantile business of this country. I have talked to them, conversed with them many times, and heard them testify before committees. I am not familiar with all the details of this particular statement; but, just as the devil can quote the Scriptures for his own purposes, I have no doubt that the able Senator from Alabama can pick out some isolated statement of Mr. Lasker's testimony or Mr. Anybody Else's testimony and let it fit in with the views he advocates.

Mr. HEFLIN. Mr. President—

Mr. RANSDELL. I decline to be interrupted further. I have a long speech, and I want to go on with it. I will ask the Senator to speak in his own time.

Mr. HEFLIN. I simply wish to suggest to the Senator that the devil is for the subsidy.

Mr. RANSDELL. He may be, but he has some pretty good company. I think there are some angels for the subsidy, too, and I have no doubt that there are some devils who are opposed to it as well as perhaps some angels, including my very genial and handsome friend from Alabama.

Mr. POMERENE. The Senator includes him among the angels?

Mr. RANSDELL. I include him among the angels. I accept the suggestion. I know he is an angel; at least, he looks like one.

So far the operation of our ships has been a losing business. Do you not think, Senators, we have had about as good men handling the Shipping Board up to date as we could get? Do you believe, sirs, any one of you, that if you were President you could pick out a much better board than we have now, or better than the boards have been in the past? I doubt it very much. Let us see who are the members of the present board.

First there is Mr. Albert Lasker, of Chicago, one of the most successful business men in America, a man who by his own private efforts accumulated a large fortune, who stands very high among those who know him.

Then there is Mr. T. V. O'Connor, of Buffalo, who was familiar with shipping for many years in the stevedoring business, and for years president of the International Longshore-

men's Association, a man who enjoys the respect and esteem of all his associates, and who was for years connected with business closely allied to shipping.

Then there is our own George E. Chamberlain. I do not need to say anything about ex-Senator Chamberlain in this body. He was a successful lawyer for years, governor of his State for seven years, a Member of this body for 12 years, a real, live, vigorous, forceful statesman, and a man whom everybody in the Senate honored and loved.

The next is Mr. Meyer Lissner, of Los Angeles, a man very active in civic affairs of that city for many years, president of the first Board of Public Utilities of Los Angeles, from 1909 to 1911, and largely responsible, sir, for the creation of the great port of Los Angeles, one of the most important on the Pacific coast. Everything connected with his life indicates that he is a sound business man of high character.

Then comes Admiral William S. Benson, for 47 years active in the service of the Navy, Chief of Naval Operations of this country during the greatest war that ever afflicted mankind, and the Navy was a great success during that war under the direction and management of William S. Benson. This gentleman has filled very many important positions, and has received many national and international honors. His whole life has been spent upon the sea in connection with seafaring matters, and he is certainly a wise and able man.

The next member is Mr. Frederick I. Thompson, one of the leading newspaper men of the South, chief owner of the Mobile Register, the Mobile News-Item, and the Birmingham Age-Herald, a man who by his keen mind and his hard and intelligent work has built himself up to affluence, and a very strong and forceful man.

The next is Mr. Edward C. Plummer, who is and has been for over 30 years a lecturer on shipping matters. In early life he worked in shipyards. He has been a close student of this subject for a long time. It has been my pleasure to know Mr. Plummer for over 20 years, and I regard him as one of the sanest, wisest men of my acquaintance, and familiar with every matter connected with shipping because of close study.

These are the seven men who now control the policies of the Shipping Board. Does anyone conceive that we can get a better body of men? How could you pick them out? Mr. President and Senators, the fault is not with the membership of the board. The fault lies deeper than that. The fault is because we are not a seafaring people. We have not been in the game long enough to learn it. The seafaring countries of the Old World, like England, have been studying ships for centuries. They have been following the seafaring life for centuries. They understand every feature and every phase of it. They know how to practice all the economies connected with it. The sea is their life's blood. England is a "tight little island." She gets her wealth from foreign lands. She can not reach those foreign lands except in ships, and her people understand the game. In the early days of our Republic, the days of the old sailing vessels, the clipper ships, we had a hardy race of seamen on the New England coast.

WHY OUR SHIPPING DECLINED.

They made a big success of shipping in those days, and but for the intervention of steam in the early fifties we would still have a successful race of hardy seamen along the Atlantic coast. But the intervention of steam and the Civil War of the sixties, which drove so many of our ships from the seas, which practically destroyed the American merchant marine, put us out of the business. Then for years and years there were so many attractive enterprises in various parts of the country in which men could make more money in other kinds of business than they could hope to make on the sea that the enterprise and skill of America were engaged in those kinds of business.

Mr. President, you can change the organization if you wish, put the ships under the Department of Commerce if you wish, but I predict that you will not meet with greater success with some new Shipping Board or with some new department than we have met with in the past.

Let me remind Senators of this fact, that the Shipping Board is a creature of the Congress, responsible directly to Congress, making its reports to Congress. Do Senators wish to do away with our creature, with this body which reports to us, and place the duty of handling our ships in some bureau of the Department of Commerce, where the shipping of the country will be only a side issue? That would not do, Senators. If you intend to create some new agency, certainly you had better create a department of shipping and place at its head a secretary whose sole duty it will be to look after ships. Do not attach this great task to some one of the present departments of the Government.

A great deal has been said about the Government operation of ships in Canada and in Australia and by the Panama Rail-

road Steamship Co. Let me give some actual facts and figures in regard to that. One of the first acts of the British Government after the armistice was to do away with the State control of shipping. That the step was well taken in the interest of British commerce is shown by the fact that to-day the British merchant marine has regained practically all the ground it lost during the war. The ships of Great Britain again carry more than one-half of the trade of the entire world.

Think of that! This wise old ancestor of ours, as soon as the war was over, placed all her ships in private hands, and those she owned herself she sold immediately to her private citizens and private shipping companies. She is not operating any ships. She has not tried to play that game of Government operation as we have tried. She was too smart for it. She never did anything wiser in her life. But her colonial possessions were not so wise. One of the British possessions essayed the experiment of a State-run merchant marine, and in the first blush of postwar trade, when all the ships of the world fell far short of carrying the cargo offering, and when ocean freights were \$30 to \$40 per ton and even higher, Government operation was carried on at a profit, which inspired its advocates to declare that it would be criminal for the Government to sell its ships.

We heard the same kind of talk here. Even so great a ship authority as Lord Pirie, probably the world's leading shipbuilder, declared that if all the nations built vessels at top speed for five years after the armistice they could not produce too much tonnage for the world's trading needs. The five-year period is not yet up, but the acid test of time has worked, and already world shipbuilding is back below the pre-war level.

At this point Mr. RANDELL yielded to Mr. JONES of Washington to submit a request for unanimous consent.

CANADA'S EXPERIMENT COSTLY.

Mr. RANDELL. Mr. President, I was proceeding to speak about the government operation of ships in Canada, and will continue.

Canada has tried government operation under the most favorable auspices, and still found it a failure. With government-owned railways to act as solicitors and collectors of freight for government-owned vessels she has, nevertheless, been unable to make both ends meet. She had also the very marked advantage of entering upon government operation of shipping with a trained staff of transportation experts serving its railways, which embrace more than a third of all the railroad mileage of Canada. For 1919 the Dominion Government was able to show an operating profit on voyages of \$1,056,000 and for 1920 of \$1,293,000; but in neither case was depreciation or interest figured. And in 1921 the result of voyage operations was a loss of \$2,210,000, or almost as much as the profits for the two preceding years. But this is only part of the story. Interest for 1921 amounted to \$3,352,000, depreciation to \$2,374,000, and other charges to \$111,000, so that the actual loss on the year was \$8,047,000. But this is not the full picture of losses, for there was carried forward from the years when a profit was claimed on operations \$1,745,000 interest due and unpaid to the Government and a deficit of \$328,000 on insurance. Subtracting from this the surplus of \$1,004,000 claimed to be available at the end of 1920, the result of Canada's first three years of government operation was a loss of more than \$9,100,000.

Mr. REED of Missouri. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. RANDELL. I yield.

Mr. REED of Missouri. What rates were made on the government-owned vessels as compared with the rates made by vessels when there was no government interference?

Mr. RANDELL. I can not give the Senator the details about that. In 1919, when the rates were very high, \$30 to \$40 per ton as general commercial rates throughout the world, the government-owned vessels in Canada made a large profit; but when the general commercial rate fell in 1921 there was a big loss. I am unable to give the Senator the detailed figures in response to his question. I assume, however, that the government-owned vessels of Canada had to compete with the ordinary privately owned vessels of England, Norway, and other countries.

Mr. REED of Missouri. The Senator has given us some figures. I am not trying to get into a dispute with him, but the figures are manifestly incomplete. The Senator told us that the vessels were operated at a loss. That loss might all be chargeable to the fact that they charged too low a rate and that the rate which they did charge was less than the ordinary rate which would have obtained if there had been no government-owned vessels in competition.

Mr. RANDELL. I was speaking about the Government-owned vessels of Canada which made a loss, and not the privately owned vessels.

Mr. REED of Missouri. I understand; but to illustrate—I am taking the Senator's time in order that we may have enlightenment.

Mr. RANDELL. That is perfectly agreeable to me.

Mr. REED of Missouri. Let us suppose that the vessels could have been operated—I shall use a purely illustrative figure—at \$1 a ton and a profit made, and that the commercial rate would ordinarily be that dollar a ton; but those vessels, when they started to operate, proceeded to operate at 80 cents a ton, either because they wanted to give a cheap rate or because the private competitors had seen fit to cut the rate to put the Government vessels out of business. Accordingly they operated at 80 cents and showed a loss. Now the mere fact that the vessels showed a loss, as has been stated, does not mean anything as a conclusive proposition until we know what their rates were and what the rates would have been if they had not been in competition. I wish the Senator would investigate the question and give us some light on that matter.

Mr. RANDELL. I shall be glad to look further into the question. If there has been anything in the nature of a rate war in Canada over the foreign trade or overseas trade, I have not heard of it. The figures I am giving are taken from official Canadian sources and there is nothing said, so far as I understand, about any rate war which would present the question suggested by the Senator from Missouri. He very correctly said that had there been a rate war and the Canadian vessels in order to meet it had put their rates down below a proper commercial figure, then the fact that they had lost money would mean nothing. I agree to the correctness of the Senator's conclusion in that particular. But I am quite sure there has been nothing of that kind. However, in order to make assurance doubly sure I shall go into it more fully and present the figures later.

Canada is still holding the bag, but she is finding that it is getting too heavy for her. The last official report shows the Government fleet to be composed of 65 vessels, aggregating 380,000 dead-weight tons, which cost over \$78,000,000, and which is carried on the books at \$69,000,000, and this is conceded to be far above its value. The report further states that the average cost of the fleet was \$191 per ton, and that the ships could be replaced at an average of \$75 per ton. It is recommended on behalf of the Government that all of the ships under 4,000 tons and five larger ones be disposed of. It is also recommended that for five years the interest due the Government shall be payable only if earned, after allowing for depreciation. The outlook for the Government's pocket-book, therefore, can not be said to be a bright one.

The net results of Canada's first three years of Government operation of shipping therefore may be said to be: 1. A recorded loss of over \$9,000,000. 2. The possession of a fleet carried on the books at more than double its replacement value. 3. A Government admission of failure in the plan to sell more than half the total number of ships. 4. A dubious outlook for returns to the Government in the request that interest payments be made the last charge to be satisfied. 5. Even at 5 per cent per annum depreciation charges will amount to more than \$3,000,000, or more than the fleet earned in 1919 and 1920 combined, when freights were high. It does not require any stretch of the imagination, therefore, to write down Canada's experiment in Government operation of shipping as a failure.

Mr. REED of Missouri. Mr. President—

Mr. RANDELL. I yield to the Senator from Missouri.

Mr. REED of Missouri. I am merely seeking light.

Mr. RANDELL. I shall give it to the Senator if I am able to do so.

Mr. REED of Missouri. The question is, why was it a failure? That question has not been answered by the Senator in the figures which he has given. Was it a failure because of mismanagement? Was it a failure because the rates had been made too low? Was it a failure because there was a general slump in the shipping business and privately owned vessels were possibly being run at a loss? In other words—I make the point merely for the purpose of emphasizing the necessity for further light—to say that a business has been a failure does not get us anywhere. Thousands of private enterprises have failed, yet that does not argue that another private concern might not succeed in the same business.

The Senator has stated one thing that I think tends to throw a little light on the matter, that the vessels cost undoubtedly more than twice their replacement value. If any private concern had bought vessels and paid two or three times their value and then had to pay interest upon them, that private concern

would probably be verging upon bankruptcy. It would certainly be doing so unless it was able to make very large profits. Why did the Government of Canada pay those excessive prices? Did it get the vessels during the war at war prices, and, if so, would it not be necessarily obliged as a business proposition to charge off the excess value and stand the loss as a war loss and start the enterprise at a fair valuation of the vessels? I think the Senator, with all his industry, and he has a good deal of it—his power of analysis is superb—ought to carry the figures further and show us why the Government can not successfully operate the vessels.

FAILURE ALMOST UNIVERSAL.

Mr. RANDELL. If I could answer that question, I think I could answer a question that the American people would like very much to have answered. I would be able to tell the Senator why we failed so miserably in the Government operation of our railroads. I would be able to answer the Senator why Government operation throughout the world, so far as my information goes, has been a failure, except perhaps in the Empire of Germany, where, if I am correctly informed, the German railways and the German water-borne commerce were operated at a profit under the autocratic rule of the German Government.

For some cause or other, however, it has not been profitable in other lands. The only really successful Government enterprise in America about which I know anything is the operation of the mails; but the mail service has been a complete monopoly from the birth of our Republic to the present time.

Mr. FLETCHER rose.

Mr. RANDELL. I decline to yield for the moment. Let me answer the question of the Senator from Missouri, and then I shall be glad to yield to the Senator from Florida.

The Government operation of the mails has been a success. Nobody other than the Government has gone or can go into the business. The Government does make a little money out of the operation of the mails now; but I do not know of any other business that has been persistently a success when governmentally owned and operated for any length of time, and I do not believe, as a general proposition, that the Government can in a big way make a success of the operation of business.

Now, answering further the question of the Senator from Missouri [Mr. REED] about conditions in Canada, I desire to say that I do not know why the Canadians paid \$191 per ton for their ships. I presume that it was for exactly the same reason that we paid \$200-plus a ton for our ships. Those ships were constructed in war times, and it was a war expenditure. I think, sir, that it would be wise to charge off that present high cost and to start afresh. However, let me say that the figures that I have presented here indicate that there was no interest whatever charged in making up this loss, and the Government of Canada is advising that there be no interest charged. They wish to see if they can not earn something exclusive of interest. They sustained an actual loss in 1921 of \$2,120,000, exclusive of any interest.

Now, to say that private shipping companies were making some money in 1921—

Mr. REED rose.

Mr. RANDELL. Let me answer, and then I will again yield to the Senator.

Mr. REED of Missouri. I wished to say a word in relation to what the Senator from Louisiana has just stated.

Mr. RANDELL. I have figures here to show that private English companies have been making very considerable profits recently. I have figures from the New York Journal of Commerce of October 31 last indicating that the Peninsula & Oriental Steamship Line has made large profits. I will not take the time to read them, but I will insert them in connection with my remarks.

The figures referred to are as follows:

The Peninsula & Oriental Steam Navigation Co. accounts for the year ended September 30, 1922, show that, after providing for depreciation, also the expense and discount on the issue of £3,500,000 debenture stock amounting to £191,853, there is a credit balance on the year's accounts (including £100,305 brought forward) of £744,901. The following table shows the figures for the previous two years:

	Year ended—	
	Sept., 1920.	Sept., 1921.
Net profit.....	£657,377	£571,466
Brought forward.....	£115,230	£111,939
Preferred dividend.....	£152,000	£152,000
Deferred dividend.....	£508,668	£431,100
Rate of dividend.....	15%	12%
Carried forward.....	£111,939	£100,305

Mr. RANDELL. I have also from the New York Journal of Commerce, of October 31 last, figures to show that the Prince Line, which is another big English line, has made large profits. At the same time I have been unable to find any figures or any reports to the effect that privately owned American lines have been making any profit during the last year. If such lines have made any profits, I can not find any record of them.

I ask permission to have printed in the RECORD at this point the clipping from the Journal of Commerce showing the profits of the Prince Line.

There being no objection, the clipping was ordered printed in the RECORD as follows:

The accounts of the Prince Line (Ltd.) for the year ended June last show a net profit, after making an allowance for depreciation and taxation, of £159,686, while £138,892 was brought forward. The directors announce a final dividend of 7½ per cent, making 10 per cent, free of tax, for the year, leaving to carry forward a sum of £178,299. For the previous 12 months the net profit amounted to £286,815, making an available balance, with £72,376 brought forward, of £359,191. A total dividend of 10 per cent was paid, free of tax, while £100,000 was placed to general and insurance reserve.

Mr. RANDELL. Why the privately owned American lines have made no profits and the Government-owned Canadian lines have made no profits I am unable to say. I learn from the reports of the Shipping Board that our Government-owned vessels have not, as a whole, been making any profits. I understand that one of the lines has made some profits. That line was referred to by the Senator from Florida [Mr. FLETCHER] and was the line which is operated by Mr. Rossbottom. That is an exceptionally advantageously located line, and it has made some profits; but, as a whole, the operation by the Shipping Board of our vessels has been very unprofitable for the last 12 months, just as the Canadian operation of their vessels has been unprofitable. At the same time, however, certain English privately owned lines have been profitable.

It would take a much wiser man than myself, or even, I think, than the Senator from Missouri [Mr. REED], to tell us why private individuals can make money and the Government can not make money in carrying on the same kind of business. I assume that one reason why the railroads of this country did not make a success when operated by one man was that the business was too big for one man to make a success of it. I have known farmers who could live on farms of a few hundred acres and make a success, but when the same farmers tried to operate farms miles away they failed.

I speak feelingly about the matter, for when I tried to farm 1,200 miles from base I did not make a success. So when a man sitting here in Washington attempts to operate 234,000 miles of railroad, running throughout this great country of ours, it is too much; it is too big an undertaking; he can not make a success of it; and when the Shipping Board attempts to operate a great fleet of 7,000,000 tons on all the seas of all the world, involving in many instances the necessity of making decisions instantaneously, I do not believe it can conduct the operation successfully. I think the private initiative, the personal interest, the energy, the enthusiasm, the skill, and the determination which a private individual will put into his own business is lacking in any kind of Government operation. I assume that it was for just such reasons that the people of Canada were unable to make a success of the shipping business. I now yield to the Senator from Florida, and then I will yield to the Senator from Missouri.

Mr. REED of Missouri. I merely wished to make a statement in the nature of a correction. I understood that the Senator from Louisiana carried the interest charges in his total.

Mr. RANDELL. No; I will read the figures again.

Mr. REED of Missouri. Very well, if he did not; then he need not read the figures again.

Mr. RANDELL. I did not.

Mr. FLETCHER. I wish merely to follow up the thought of the Senator from Missouri [Mr. REED] by suggesting that it will be well, of course, to understand upon what plan or basis the Canadian Government is operating its ships. If the Canadian Government is operating them as we are under the MO-4 contract, where the Government stands all the losses and the private operators, the managing agents, get their commissions on the business no matter what it may amount to, the Canadian Government may expect to lose money. The result depends a good deal on the plan of operation so far as the force and effect to be given to the shipping activities of Canada is concerned. I do not know whether or not the Senator from Louisiana has examined the question sufficiently to determine just how and upon what basis or plan Canada is attempting to operate her lines.

With reference to governmental success elsewhere, I call the Senator's attention to the fact that Australia has built a splendid fleet of Commonwealth ships and has operated them suc-

cessfully; that the figures show a profit last year of something like \$33,000,000 on the operation of that fleet; and that the Government operation there is direct government operation and not a mere pretense, not a mere figure of speech.

We, however, in the United States have had no Government operation except of the Panama Steamship Co. and the United States Line. Recently both of those lines have been operated successfully, but the operation of our other ships has not been Government operation, as I understand it, and as I think the Senator from Louisiana will agree with me when he analyzes it, for it is on its face conducted on the basis of managing agents, the Government standing all the losses and those operating the ships having no responsibility except to earn their commissions and to get what are called "husbanding fees" in addition to their commissions.

With reference to private operation, I shall not attempt to go into that, but if the Senator will allow me just a moment more, I happen to have here a clipping taken from a newspaper issued on December 12, which states:

Boston, December 12.—Directors of the United Fruit Co. at a meeting here to-day voted an extra dividend of 2 per cent in cash with the regular quarterly dividend of the same amount.

The profits may have been derived in part in connection with their other business in selling their products, but they have a splendid fleet, and I have no doubt a good deal of their profit comes from the operation of the fleet.

Mr. RANDELL. I will assume—

Mr. FLETCHER. If the Senator from Louisiana will allow me, I will merely say that later on I shall put into the RECORD a fuller statement regarding the experience of Australia in the operation of ships.

Mr. RANDELL. I shall be very glad to have the Senator do so, for I am going to say something about Australia.

Referring first to the last portion of the Senator's statement in regard to the United Fruit Co., let me say that is a wonderful enterprise. I have had the pleasure of traveling on some of the ships of the United Fruit Co., and they are very fine ships; but those ships are merely an incident to their commercial enterprise. The United Fruit Co. are great fruit merchants; they have enormous plantations, principally banana plantations, in many tropical countries. I had the pleasure of traveling on one occasion for 12 continuous miles through a banana plantation; my journey was on a railroad on both sides of which stretched this great plantation owned by the United Fruit Co. It was at Port Limon, in Costa Rica. That company is absolutely a commercial enterprise, and their ships merely an incident. It might just as well be stated that the Standard Oil Co., through their tankers and their great lines of ships for handling their own business, conducts a successful shipping business because they declare large dividends. The Standard Oil Co., as we all know, is a tremendous commercial enterprise, and the same statement is true of the United Fruit Co.

Now, to come back—

Mr. REED of Missouri. Mr. President—

Mr. RANDELL. I will ask the Senator to pardon me. I must answer the Senator from Florida first, and then I will be glad to yield to the Senator from Missouri. Coming back to what the Senator from Florida said about the situation in Canada, I do not know whether the Canadians have been operating under the MO-4 contracts or what kind of contracts they have employed. The Canadians, however, are proverbially a wise people; I often wish the people of the United States would emulate the people of Canada in a great many things, for if there be a wiser people on this globe than those of Canada I wish somebody would point them out. When they have been so wise in connection with all their transportation problems, including their transcontinental railroad problems, their problems of good roads, and everything connected with business, to say that they have done something very unwise in connection with their shipping is beyond me. I can not answer the Senator's question, but I will try to accommodate him by securing more data on the subject and go into it more elaborately at some later time.

In regard to the Panama Steamship Co., I wish to give the Senator some actual figures as to that company and also with reference to the shipping venture of Australia. The Senator tells us about the wonderful success in the shipping business which Australia made last year. I do not agree with the Senator at all as to that. It is said that doctors disagree; but my figures are altogether different from those of the Senator. Here they are; I will state them to the Senate.

WHAT IT COSTS AUSTRALIA.

Australia has been cited as a golden example of the benefits of Government operation of shipping. Official figures in proof of this are difficult to obtain. No annual reports covering the period of operation have been issued, with the exception of one

for the year ending June 30, 1922. The position taken by the Australian Government has been that making public the results of the operation of its fleet would aid competing lines. On November 16, 1921, however, Premier Hughes, in an address to the Australian Parliament, stated that the net earnings of the Government's ships for the five years ended June 30, 1921, had been £7,144,000, or about \$30,000,000. I assume that is the \$30,000,000 to which the Senator from Florida has referred. No allowance whatever—I will ask Senators to listen to this—had been made for depreciation or interest on the Government's investment, which amounted on the first cost of the ships—listen to these figures, Senators—£10,706,000, representing 51 vessels, aggregating 257,000 gross tons. No account is taken of the loss on the fleet of wooden steamers ordered by Australia, which amounted to £2,323,000. No mention is made of the fact that the earnings of the fleets were invested in building passenger ships after the armistice.

In other words, the profit from Government operation was turned, not into the Treasury but into new tonnage, and that tonnage is now being operated at a loss.

Because of the great curtailment of independent Australian shipping services during the war the opportunities for a Government-operated fleet were then exceptional, and with ocean freights at high levels large profits were made; but with the application of interest and depreciation charges the paper profits for this period would be converted to a loss. It is also interesting to note that more than a third of the Australian fleet is composed of ex-enemy ships, and that 18 of these, aggregating 83,000 gross tons, were acquired at a first cost of only £909,000 and that their net earnings were £4,036,000.

But only recently the Australian Government issued the first of its yearly reports on the operation of its State fleet. This shows that with war and partly post-war freights a thing of the past, the Government can not make the income from voyages exceed the voyage expenses. For the fiscal year 1922 it is stated operating expenses were £2,722,000 and operating receipts £2,718,000, and on top of this capital expenditures are given as £3,811,000. The voyage losses were not large, it is true, but they are likely to represent only an entering wedge of loss, while the capital expenditures for this one year were more than half the profits—in which no allowance is made for depreciation and loss—of all the previous years combined.

Mr. FLETCHER. Mr. President—

Mr. RANSDELL. Let me finish my statement and then I will yield.

That further losses may be expected is not an unreasonable prediction, especially in view of the statement made to the Australian Parliament by Mr. Hughes, in which he read a cablegram from private English shipping interests urging that either the Australian Government buy the ships of competing British lines or sell the Government ships to the competing companies in order to eliminate the present ruinous competition. Mr. Hughes claimed to see in this, however, an additional tribute to Government operation, on the ground that if the ships were worth purchasing by the independent lines they were worth keeping by the Government. He seems to have overlooked the point, however, that Government operation has resulted in losses to both State and private shipping, and that the Government losses must come out of the pockets of the taxpayers; but these phases of the question are realized in Australia, and it is now a vital political issue whether the ships shall be kept by the Government or sold.

Here, then, are two instances of the workings of Government operation in shipping—Great Britain, the sea-wise mother, casting the yoke of State control off at the first opportunity, while her young offsprings, Canada and Australia, continue to stagger under it. Need it be asked: Which course should we follow?

I now yield to the Senator from Florida.

Mr. FLETCHER. I was just going to ask the Senator if he would be good enough to state what his authority is—whether this comes from some statement that has been furnished him in an authoritative way, or from an article written by some one on the subject?

Mr. RANSDELL. From Commerce Reports, published by the Department of Commerce.

Mr. FLETCHER. I have been examining some literature on the subject, and I may have found the same source of authority; I do not know; but that is the reason why I was interested.

Mr. NORRIS. Mr. President, may I ask the Senator a question?

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Nebraska?

Mr. RANSDELL. I shall be delighted to yield to the Senator from Nebraska.

Mr. NORRIS. I have no information on the subject, and I am asking for information; but it seemed to me that there was one thing in that statement which was not quite fair. The percentage of loss, I think, was based on the cost of the vessels. Then, later on, part of the cost of the vessels was given at a very low figure, because they were enemy vessels that had been captured in the war. To be absolutely fair, it seems to me, the statement ought to give the facts as to the construction of the balance of that Australian fleet. Were those ships built in time of war? If so, it would appear to me to be manifestly unfair to reckon the percentage on their cost. I should like to inquire if the Senator knows whether or not those ships were built during the war at war prices?

Mr. RANSDELL. I think, from the best information I have, that a good many of them were built during the time of the war and perhaps at war prices.

Mr. NORRIS. If that be true, the figures ought to be changed.

Mr. RANSDELL. I wish, however, to make this point: Just as our own ships were built in time of war and at war prices and have been operated since, and we have lost money on them, so I am trying to show by these figures that the Australians have lost money, exclusive of any question of interest on the cost of the vessels; and my figures bear out that fact, as I construe them.

Mr. NORRIS. As I got the figures, the percentages were based on the cost of the various vessels. If that cost was a war cost, it is not a fair basis, it seems to me, on which to reckon the percentage of loss.

Mr. RANSDELL. I am putting the figures in the RECORD just as I read them. The Senator may draw a different conclusion from them if he chooses.

Mr. FLETCHER. Mr. President, will the Senator yield to me for just a moment?

Mr. RANSDELL. I yield to the Senator from Florida with pleasure.

Mr. FLETCHER. Premier Hughes has stood for government ownership and operation of ships in Australia; and whereas there has been opposition, and, as the Senator has said, the question was a matter of issue in the recent election, he will note that according to the dispatches from London dated December 16, Premier Hughes has been reelected premier by a considerable majority, and his policies have been thereby indorsed by the Australians.

Mr. RANSDELL. I do not deny the correctness of that; but the facts and figures which I have read show that the operation of vessels in Australia has not been a success recently, and they show that there is a great deal of unrest there—not enough so far to oust Mr. Hughes from office, but certainly the enterprise has not been the kind of a success that the friends of Government operation can point to with pride and say to us, "Go thou and do likewise"; and yet that is what they are trying to do. They are trying to point to this so-called Australian success and this so-called Canadian success and ask us to go and do likewise.

PANAMA RAILROAD STEAMSHIP CO. SHOWS A DEFICIT.

In regard to the Panama Railroad Steamship Co., I have a statement about that that I wish to put in, in further answer to the Senator from Florida.

Another example of Government operation in shipping is furnished by the annual report of the Panama Railroad Steamship Co. This is the line to which reference was made in the minority report of the Commerce Committee as an example of how ships could be operated profitably under the American flag. The distinguished Senator from Washington [Mr. Jones] referred briefly to this matter in his speech a few days ago, but I should like to add some additional details, which I think should be spread upon the record.

Instead of a profit, this company reports that for the fiscal year ended June 30 last there was a net deficit of \$587,322.45. The previous year the report showed a loss for the fiscal year ending June 30, 1921, of \$700,810.22.

For the past fiscal year the report shows that \$353,429.44 was charged off to depreciation and general and extraordinary repairs. No allowance was necessary for interest.

The following comparison for 1922 and 1921 was submitted:

	1922	1921
Gross revenue	\$2,892,698	\$5,150,446
Gross expenses	3,480,231	5,857,257
Deficit	587,332	700,810

Vessels in operation during the year were decreased from 12 to 5 on account of the depression. The report points out

that part of the loss was due to the fact that Government freight and passengers were carried below the commercial tariff. If these had been booked at ordinary commercial rates, the loss during the year would have been \$125,000.

A heavy deficit also was reported for the account of the railroad company. The combined loss for the railroad and steamship lines for the year was \$1,297,634, as compared with \$617,528 for the preceding 12 months. The report says:

The total operating revenues of the company's steamship line were \$2,723,985.58, a decrease of \$2,268,765.54, as compared with the 12 months ending June 30, 1921; operating expenses for the same period were \$3,443,490.39, as against \$5,850,407.22 for the preceding year, a decrease of \$2,406,916.83. The net operating deficit resulting therefrom decreased \$138,151.29, as compared with loss for prior year. Passenger traffic shows a decrease in revenue of \$115,591.71. Revenue from the transportation of mails and treasure decreased \$75,442.01 and \$20,099.83, respectively.

Of the total tonnage transported in the 12 months ending June 30, 1922, 197,099 tons were carried by the company's steamers and 55,767 by chartered steamers. In the previous fiscal period the former carried 314,877 tons and the latter 100,282.

The operations of the Panama Railroad Steamship Line during the fiscal year ending June 30, 1922, although more favorable than for the preceding year, resulted in a deficit of \$587,332.45, after charging to operating expenses \$358,429.44 account of depreciation and general and extraordinary repairs. The primary cause for loss was the continued world-wide depression in business, with its consequent heavy decrease in tonnage transported; the marked lowering of rates of freight, owing to the severe competition of direct lines operating between South Pacific and east coast Colombian ports and New York; the unsettled exchange situation, which, with the curtailment of credits previously granted by American merchants to South American merchants, compelled the latter to buy and sell in Europe instead of as formerly buying and selling in the United States; and the continued high cost of foodstuffs, stores, and material.

So it seems to me, Mr. President, that the three instances cited by the opposition—Canada, Australia, and the Panama Railroad Steamship Co.—when examined into carefully, fall to the ground, and show that so far from Government ownership being a success it is a failure.

FOREIGNERS OPPOSE OUR SHIP BILL.

Mr. President, I next come to a phase of the subject which I discussed some time ago—foreign opposition to this bill. I hope Senators will listen carefully to what I have to say on this subject, because there is, or at least there was, a great deal of foreign opposition. I spoke at length before you on this topic on July 20 last. I laid before you opinions voiced by the press of Great Britain, views of British shipping and commercial leaders, members of Parliament and other individuals, and quotations from official reports of the British Government. There were objections and remonstrances, threats, veiled and unveiled, and even intimations of war upon us if we took steps to protect our place upon the seas. The question squarely put up to the people of the United States was whether we should choose our own sea policy or allow Britain to dictate it for us. We, who carry perhaps a tenth of the world's trade—and I doubt if it is that much—were accused by a nation whose ships transport more than a half of all sea commerce of seeking a monopoly on the seas.

It is not my purpose to lay before you again all the record of the bitterness of foreign opposition to legislation to aid our merchant marine to a point where we would carry not even a fair share of the world's trade but at least a fair share of our own. I do want, however, to recall to your attention a few expressions that I quoted then, and to supplement them with some recent developments.

It is said that British capital controls the policy of many great American journals. Is it possible that there is any connection between the opposition of foreigners and that of our home people? I do not make this charge, sir; but, recalling the extraordinary Tory sentiment during the Revolutionary War and the extreme partiality of a large percentage of our people to Great Britain during all our history, I wonder if some of our good people are not insensibly influenced that way? Shall we regard international unions as the true spokesmen? The real Americans, sir, who work on American ships, favor this bill, and they have gone on record to that effect. Here are some of the organizations that are in favor of the pending shipping bill:

The Neptune Association of Licensed Masters and Pilots, 6,000 strong; United Associations of Masters, Mates, and Pilots, 3,000 strong; United Radio Telegraphers, 7,500 strong; United Marine Engineers' Beneficial Association, No. 80, 3,500 strong; Marine Engineers' Beneficial Association, several thousand; Fidelity Marine Association, restricted to captains and first mates, several thousand; National Board of Steam Navigation; American Society of Marine Engineers; Licensed Tug Men's Association; International Longshoremen's Association; and others I have not before me at this time.

It is interesting to note that all international interests, whether of labor or commerce or defense, are arrayed against the pending bill. International money, which is in control of

Wall Street, opposes anything that will affect the prosperity of the European interests with which it is connected and from which it draws its profits. The profits of an American merchant marine will come to America, and those profits should approximate \$500,000,000 every year.

The boldness of the British press in discussing the American shipping bill is unexampled. I quoted to the Senate last July an article from the Liverpool Courier entitled "Westminster watchdogs awaken," in which it was declared there was a pro-British party in the United States. Think of that, Senators, a great pro-British journal declaring that there is a pro-British party in the United States, under the caption "Westminster watchdogs awaken." I appeal to my brethren of America to awaken when such charge as that is made. The writer then urged that encouragement be given this pro-British party, and said:

There are in the States two sections very well defined, the pro and the anti British. The division runs athwart even the strong line of cleavage separating free traders from protectionists. This means that some pro-British protectionists, while wishing nothing but well to Great Britain, are compelled by party attachment to back the present bill. On the other hand, there are conscientious free traders who would be against its passing but for the fact that their anti-British bias is stronger than their adherence to an economic theory.

Not content with this, the Courier's writer continued:

The general attitude of Great Britain, both officially and in her trading units, must be such that the pro-British party in the States is encouraged and the anti-British party made aware that the subsidy is not the concern of Americans only.

I ask those Senators who oppose this subsidy to listen to me while I repeat what the great British paper said:

The general attitude of Great Britain, both officially and in her trading units, must be such that the pro-British party in the States is encouraged and the anti-British party made aware that the subsidy is not the concern of Americans only.

They did not propose to let us run our own affairs. They were going to dictate to America what it should do in regard to this subsidy.

This writer continues:

There should be no empty threats of retaliation, either from Westminster or from the constituencies. There should be no waving of the Big British Stick—

He capitalizes "Big British Stick"—

There should be instead the actuality.

Not wave the stick at us, but hit us with the stick; not a waving, but a striking. He adds:

It is, of course, perfectly open to any Britisher legitimately to regard the subsidizing bill as *treachery to his country*.

(The italics in this quotation are mine.)

Great Britain, out of pure sentiment toward America, has agreed to alterations of her naval power standard.

Great Britain, out of genuine love for America, agreed to the 5-5-3 naval reduction treaty! Did anyone ever hear such a remarkable statement? Out of genuine love and sentiment to us Great Britain consents to the reduction of her navy.

She has consented to the supersession of the Anglo-Japanese alliance by a pact more favorable to the United States; she has allowed the trans-Atlantic consideration to affect her handling of the Irish situation.

I never imagined that before, but if anything on earth has finally induced her to be kindly to the Irish, I am glad of it.

"And in return what has America done?" the writer asks, and his answer is, "Worse than nothing." We not only abstain from assisting Great Britain in her efforts to reestablish European social life, he says, but he adds that we actively menace her by proposing a *breach of commercial morality*.

The United States has the audacity to propose a breach of commercial morality by introducing this shipping bill and trying to secure its passage. That is a breach of commercial morality!

There are three things that the British must do, the writer says, and he enumerates them thus:

1. Diplomatic suasion must be brought to bear upon Washington.
2. Capital and labor must combine, in the most actual sense, to produce and to transport at the cheapest rate.
3. America must be left under no misapprehension as to the solidity of the Empire as one vast commercial unit, in the face of the sustained aggression which the subsidizing bill foreshadows.

Those are strong words, Senators. I hope that every Senator in this body who contemplates voting against this bill will read and consider them. His way of having "pressure brought to bear upon Washington" was to have members of Parliament "insist that the British Government do its duty." Is it the duty of Parliament, or the British Government, to instruct the American Congress about the legislation it shall pass? I do not think so, and feel sure there is no man in this Chamber who does think so.

The Liverpool Courier is acknowledgedly an authority on things maritime, so its comment on June 9 last urging retalia-

tion when our shipping bill passes is of both value and interest to us in considering the bill. I quote verbatim:

It is quite untrue historically that subsidies necessarily fail. The Japanese merchant service, which so lately as 1890 had only 171,000 tons of shipping, has risen to its present figure of 3,354,000 tons largely through State aid and encouragement at British expense. The German merchant service was built up from small beginnings by subsidies, preferential railway rates, and pressure on emigrant traffic to 5,500,000 tons before the war.

SAYS SUBSIDIES AIDED RIVALS.

Mr. President and Senators, here is this great English newspaper, which is an authority on things maritime, admitting that subsidies do build up in a wonderful manner, and have built up in a wonderful way, the commercial marines of Japan and Germany. It says so in the plainest language. If subsidies have built up the German merchant marine and the Japanese merchant marine, why will they not build up an American merchant marine?

And while we are still on the subject of subsidies another British shipping journal of prominence, the Liverpool Journal of Commerce, reprints a dispatch to the Deutsche Bergwerks Zeitung from its Hamburg correspondent, in which it is stated:

In secret the British Government certainly is already granting large subsidies to many shipping companies.

Of course, I can not prove that, but here is a great British paper reproducing a telegram from a German paper saying that in secret the British Government is already granting large subsidies to many shipping concerns.

Mr. REED of Missouri. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. RANSDELL. I would be glad to yield.

Mr. REED of Missouri. If governments are granting subsidies to privately owned shipping concerns, it must be because without the subsidy they could not operate at a profit. If that is true, what is to become of the argument that we must turn our vessels over to a private concern because the Government has not been able to make a profit? It seems to me the two cases stand on the same bottom. Neither of them is running at a profit. I am following the line of the argument, not stating a fact.

Mr. RANSDELL. I will try to elucidate that point for the Senator. I am not contending that these governments have always given or always will give subsidies, but I do contend, and history confirms the statement, that Japan when a very weak power commercially, when it had, according to this paper, only 171,000 tons, inaugurated a policy of very large government aid, and as a result of that it built up a very strong merchant marine. I do not understand that Japan is giving very much aid now, though she is proposing the identical loan proposition we are proposing here. She is proposing, and I believe is going to carry out, a loan of 250,000,000 yen to assist in building ships, reconditioning ships, and things of that kind. The yen, I believe, is equivalent to half a dollar in our money, so that would be \$125,000,000.

I contend that Germany, when a weak nation on the sea, did establish a subsidy policy, for years maintained that subsidy policy, and as the result of that policy she became very strong on the seas.

Great Britain gave a great deal of aid to her shipping in the early days and she became so strong on the seas that she does not need to help all of her ships now, but she does very largely help her ships by naval subventions and mail pay. I have the figures here to show that Great Britain now aids her ships to the extent of about \$9,000,000 per year, not all of them, as we are proposing to do, but certain classes of her ships.

My contention, sir, is that if we pass the pending bill and get our ships on a permanent basis, make the American people ship minded, train them to go down to the sea in ships, make them turn their investments to the shipping business for a period of 10 years, as proposed in the bill, then we can carry on the business in all probability without further Government aid.

Mr. REED of Missouri. Will the Senator pardon just a further word? I am unable to discuss the question because of the condition of my throat.

Mr. RANSDELL. I am glad to yield to the Senator.

Mr. REED of Missouri. The Senator's argument this morning was that the vessels must be turned over by the Government because they were being operated at a loss and that all Government operations were a failure, because Canada's government-owned vessels lost some money last year and the conclusion from that loss was that they must be turned over to private ownership, where they could be made profitable.

Now, the Senator has said, in substance, that private ownership has also been a failure except when the Government makes

up the loss by a subvention. If that be true, then the argument against Government ownership fails, because we might as well lose the money directly on ships that we own as to pay out a subsidy on ships that we do not own. At least that part of the argument answers itself.

Mr. RANSDELL. Mr. President, if the Senator can get any consolation out of his argument I leave it to him. I can not follow him in that conclusion and shall, therefore, proceed with what I was saying.

Quite the bitterest of the comments against the shipping bill appeared in Fairplay, an English shipping weekly, that since has changed its tone materially. "Lookout Man," as he signed himself, entitled his article "Fights with the raw 'uns," meaning of course, a bare-knuckle battle, and went on:

Fights with the raw 'uns are barred in this country for moral reasons; they tended, I believe, to brutalize the onlookers; or, perhaps, they gave them a shorter run for their money than they seem to enjoy to-day, when a 20-round affair has even been known to last for six rounds, not seconds, though I fancy that the record has been almost reached. When, however, we are battling for existence, or at least for our purse, down the other fellow's yard, the gentler teachings of civilization and lecture-room logic have to go away and hide themselves. And that, I am pretty sure, is what would happen were the two great Anglo-Saxon races to find themselves at commercial death grips on the waters.

If that is not a threat, and a very serious one, I do not understand the English language. That the British realized their press comments in opposition to the American shipping bill were going too far is revealed here and there in their leading papers. For instance, the London Times of June 23 last, said:

American memories go back 12 years to the discovery by Congress that the German shipping companies then maintained a lobby in Washington for the purpose of thwarting any attempt to give legislative aid to American shipping.

And then follows what, in the correspondent's own words, may be called "passages discreetly worded," thus:

Congress and the country generally are perhaps inclined to be hypersensitive on the subject of foreign propaganda just now, and any interests who might think it desirable to follow the German example will unquestionably be defeating the object they seek to attain.

Another great British paper, the London Post, words its warning to us more adroitly when it says:

Mr. Harding's views, however, are not entirely agreed in by his party. Many Republicans believe that the proposed legislation is dangerous and will be bound to create friction with England and other maritime nations, and will not be productive of the results Mr. Harding anticipates. That the bill will be harmful to British interests is admitted.

And the British Government itself, in an official document discussing the postwar shipping situation, decides bluntly against "flag discrimination" because, it adds:

We have only to examine the nature of our carrying trade to see the undesirability of adopting any such policy.

I want to pause just a moment to point out the significance of the wording of that last sentence. Note that nothing is said about *equal opportunity for the ships of all nations*. The question is considered not on the basis of the world's carrying trade but on the basis of the carrying trade of Great Britain. A cold, clear-cut business proposition. And then follows the admission of this British Government committee that the ships of Great Britain carry more of the world's trade—not merely British trade, mark you—than the ships of all the other maritime nations of the world rolled together. And this is the country that charges us with seeking a monopoly of the seas.

This very report carries the matter even further in its conclusions when it says:

Our conclusion then is, and must be, that the only policy which can meet the position is one which, instead of giving preference at home, will secure the grant of national treatment to British shipping in the fullest sense abroad. Action should be directed toward maintaining this treatment where it is already given and toward securing it where it has hitherto been withheld. So far as maritime policy is concerned, this is the most effective support that His Majesty's Government can give to British shipping during the difficult period of reconstruction.

ATTITUDE MUCH CHANGED LATELY.

It is only fair to state that the truculent attitude of the British press is not nearly as pronounced now as it was six months ago. We can only conjecture the cause of this, but we can rest assured that it in no wise signifies a change of the British heart toward our plans for establishing a merchant marine. Perhaps some light is cast upon the situation by a cable dispatch from Washington to the London Post, "from our own correspondent," which appeared in that paper on July 24, last, just subsequent to my address on the British opposition to the shipping bill.

Referring to the Senate address, the London paper says that it "merits the attention of English readers, and shows the mischief done by injudicious utterances, printed or spoken."

Discussing the declaration from English sources that there is a "pro-British party" in Congress, the London Post corre-

spondent says that it is absurd to discuss it, because there is no such thing; but, he adds, "if there was such a party, the least said about it the better."

It is unnecessary—

He continues—

to go into the Liverpool paper's article further, but Mr. RANDELL was warranted in saying that it was offensive and opposed to the friendly spirit which should exist between the two countries.

And in closing, the correspondent states:

That the subsidy bill, if it should ever become law, will be harmful to British interests is, of course, well known on both sides of the Atlantic. Mr. RANDELL quoted one of my dispatches, in which those words were used, but that is not the moral to be drawn from his speech. The moral to be drawn home—

Senators will note that "home" in this case means Britain—is the absurdity and harm done by talking about "a pro-British party," which puts a dangerous weapon in the hands of men who will not scruple to use it.

Apparently Britain has taken the moral to heart, and its foot is on the soft pedal, for, as I have indicated, the tone of the British press is now in marked contrast to what it was a few months ago.

In fact, we find one British publication, the shipping weekly, *Fairplay*, in August last, in commenting on the address in the Senate, trying to make out a case to the effect that the British—instead of showing open hostility to the subsidy bill, know no more about it than they do of the fourth dimension and care less.

This is the paper which a few weeks ago was jumping on us and jumping hard.

Presumably because we have shipping in our bones—

This paper adds—

shipping questions are of as little concern to the average Englishman as the Tower of London to a city man. But though the thing is not impossible, it would take something very serious indeed to rouse public opinion to such an extent as to make it react on Parliament and compel our legislators to do anything to help the British mercantile marine.

The paper then goes on, and note the echo, albeit a faint one, of its "fights with the raw 'uns," when it approaches its climax:

Therefore, as most of us are rather anxious that our merchant fleet should never be handicapped by a subsidy, or even by such other retaliatory measures as unfair competition might render necessary, it is greatly to be hoped that nothing will be said or done in the United States capable of being employed as a frenzied electioneering cry on this side. We are a peculiar people, but, though we are willing to grasp either Excalibur or the sword of Don Quixote, we are an intensely businesslike one, too, as witness the fact that it is eight years ago that we went to war simply because we were under contract to do so.

THREATENED BY ENTIRE EMPIRE.

But we are threatened not only with Great Britain's big stick, but with the big stick of all the forces of British imperialism as well. Note how unmistakably the note of anti-American aggression is struck in the latest annual report of the Chamber of Shipping of the United Kingdom. Therein it is asserted that it is unreasonable for any country to expect to receive continued free navigation and equal trading rights within the British Empire if it adopts legislative measures hurtful to the empire's shipping. It must be recognized, it is further asserted, that in handling these questions other countries are dealing not with the United Kingdom, but with the British Empire. The obvious necessity for a great mercantile marine to that empire, it is added, need not be stressed, and it is declared that there have been recent indications that the British Government has definitely adopted an imperial attitude toward shipping questions as, for instance, in the discussions at recent imperial conferences and by the appointment of the imperial shipping committee.

To those who say that subsidies will be of no aid in the development of our merchant marine, I would point to the reference in this report of the leading British shipping body to measures that will be hurtful to the British mercantile marine. When they say "hurtful," is it to be doubted that they mean measures that would enable the shipping of other nations to gain a fair share of the world's carrying trade, which is now more than half British dominated, with the ships of Britain alone carrying more than the vessels of a dozen or 15 other maritime nations combined, including ourselves? Need it be doubted that Britain is opposed to anything that would cut into her huge and wholly disproportionate share of that commerce? She carries more of our own trade than we do ourselves, and she is perfectly content to have us continue under conditions that will assure her of continuing to do as she is now doing. And with the British taking the stand they do, can we doubt that the measures we propose to take will be effective?

Mr. President, I wish to give here a concrete instance of British discrimination against the United States. In this connection I call attention to a statement by Harvey S. Firestone,

president of the Firestone Tire and Rubber Co., at the annual meeting of that organization at Akron, Ohio, on December 15, only a few days ago. Mr. Firestone declared that unless action taken by England and certain colonial governments relative to the production and exportation of crude rubber is rescinded or modified in a drastic manner, the effect will be far-reaching. He added that the British policy had already caused an increase of 100 per cent. "This present advance," he said, "represents an increased cost to the United States of over \$100,000,000 on the estimated consumption for 1923, and this must be passed on to the tire user."

Mr. President, I am sorry there are none of our farmer brethren present to listen to me just now. I would like them to see what the British discrimination is doing to the farmer, because he uses more than half of the rubber, I imagine, which goes into automobile tires.

TIRE USERS TO PAY THE BILL.

In this connection, I should like to have inserted in the RECORD, without reading, an excerpt from a newspaper giving exactly what Mr. Firestone said.

The PRESIDING OFFICER (Mr. LADD in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

CHARGES BRITISH CUT UNITED STATES RUBBER SUPPLY—COST INCREASE OF 100 PER CENT WILL BE PASSED TO CONSUMER.

AKRON, OHIO, December 15 (by the Associated Press).—Harvey S. Firestone, president of the Firestone Tire & Rubber Co., in an address here to-day at the annual stockholders' meeting, declared that "unless action taken by England and certain colonial governments" relative to the production and exportation of crude rubber "is rescinded or modified in a drastic manner" the effect will be "far-reaching."

Mr. Firestone declared that "the limiting of production and exportation already has caused an increase of 100 per cent in the cost of the crude product since announcement of the new program was made in October."

"This present advance represents an increased cost to the United States of over \$100,000,000 on the estimated consumption for 1923," he continued.

"This must be passed on to the tire user. This is the time for the United States to pass such legislation as will encourage American capital to develop rubber plantations in the Philippine Islands, where the soil and climatic conditions are equal to any rubber-producing belt, and to negotiate with the South American republics to develop production in their rubber regions."

"Rubber is growing each year to be more important to the economics of commerce and transportation and great opportunities are before us to make the Philippines one of our most valuable possessions and to have a secure supply of this important product."

Mr. RANDELL. Now, here is an example of British discrimination that reaches even into the American farm, for the American farmer is vitally interested in the tire question and he will pay a large proportion of that additional \$100,000,000 next year. The increase that he and other automobile users will pay will not benefit American industry, but will go abroad to pay the British interests double what they have been getting for the same amount of material. This one instance of British discrimination will give a free and equal opportunity to all Americans to turn over to Britain in one year an amount equal to all the proposed subsidies for shipping for years to come.

In this connection, Mr. President, I ask to insert in the RECORD, as part of my remarks without reading, a clipping from a New York newspaper, quoting from Mr. Winthrop L. Marvin, vice president and general manager of the American Steamship Owners' Association, one of the best-known shipping men in America, who denounces the British mail ban against United States ships and says that the discrimination has extended over many years and more than counteracts the efforts which are made here to favor American vessels.

The PRESIDING OFFICER. Without objection, the clipping referred to by the Senator from Louisiana will be printed in the RECORD.

The matter referred to is as follows:

MARVIN DENOUNCES BRITISH MAIL BAN AGAINST UNITED STATES SHIPS—SAYS DISCRIMINATION EXTENDS OVER MANY YEARS AND SURPASSES EFFORTS MADE HERE TO FAVOR AMERICAN VESSELS.

The British Government's refusal, reported from London, to send Christmas mail by the United States liner *George Washington*, holding it for the slower British ship *Caronia*, which sails a day later, was denounced yesterday by Winthrop L. Marvin, vice president of the American Steamship Owners' Association, as an unjustified discrimination against American steamers.

"The United States has been paying of late years five or six million dollars annually for the conveyance of its ocean mails," said Mr. Marvin. "It pays American ships a higher rate than foreign ships, but it gives about half of its total mail pay to foreign shipowners. The British Government, on the contrary, pays not a penny to foreign and particularly to American ships if it can be prevented."

"This boycott of the American steamer *George Washington* by the British post office is nothing new. It is in exact accord with the proscriptive policy pursued for many years by the British authorities. When the long famous American Line of the International Mercantile Marine Co. was established in 1895 and thereafter, with the 20-knot flyers, *New York*, *Paris*, *St. Louis*, and *St. Paul*, it provided the swiftest weekly mail service across the north Atlantic. These Ameri-

can steamers were operated with the utmost regularity throughout the year. Only two British steamers were then faster than these four American steamers; yet the British Government would allow to the American line only letters specially addressed and insisted on sending the bulk of the western mail by the slower Cunard and other British steamers. It often happened then that goods consigned to New York merchants by the fast American ships reached piers here two or three days before the documents sent by the slower British steamers. New York business men protested again and again in vain against this excessive favoritism to slow British ships by the British Government.

"In 1905 Great Britain paid only \$10,511 in mail money to the four fast American liners, though the American Government in that year paid \$313,000 to British steamers on the same route."

NEWCASTLE INCIDENT AN EXAMPLE.

Mr. RANDELL. Mr. President, there is fresh in the minds of all of us the so-called Newcastle incident, which might well be classed as British discrimination against American shipping. Our consul and vice consul in that British seaport were accused of being too active in getting business for our ships. The British Government saw fit to think their activities transcended the bounds of diplomatic privilege. Our State Department, after investigation, thought otherwise; but under the customs governing diplomatic intercourse, the British Government canceled the exequatur of our representatives and perforce there was nothing to do but transfer them to other posts. Our consulate in Newcastle was closed, and I believe it has not yet been reopened, although representations have come from London that, perhaps, the British Government should not have acted as they did. Newcastle itself is feeling the effect of this action of His Majesty's officials, and has petitioned for a reopening of the American consulate there.

We all remember the Egyptian cotton case, which constitutes another example of how British commercial and shipping influence militates against the entrance of any foreign ship in its chosen, select trade. As at Newcastle, the British decided it was better to let us carry in our own ships some of the cotton from Egypt that we need; but it took considerable diplomatic persuasion to make them see this.

The barring of American tankers from using the Suez Canal was another instance of British influence working against our ships, but happily that matter was settled without recourse to any diplomatic measures. Our own American Bureau of Shipping had an able representative in Europe at the time, and his call at the London office of the Suez Canal Co. was productive of the essential modification of the new rules that had barred tankers classified by that society.

FOREIGN SHIP SUBSIDIES.

Mr. President, I now wish to give some figures as to the amount which is paid by foreign nations for ship subsidies.

When we consider the general subject of foreign ship subsidies, there must be taken into consideration not only the direct payments of Government money to shipping lines but several other important aids as well. It has been asserted that all aid to shipping by foreign nations totaled only \$17,000,000. Mail subventions, of course, are the most easily traced of all ship aids granted by our maritime rivals. The annual governmental budgets probably are the fairest way of estimating just how much these direct foreign aids amount to, and I would offer for the Senate's perusal a table, with certain explanatory notes, of the several amounts annually authorized to be spent or being spent as aid to shipping.

The PRESIDING OFFICER. Without objection, the table will be printed in the RECORD.

The table referred to is as follows:

Annual amount of foreign-ship aids.

Nation.	Character.	Amount.
Great Britain.....	(Packet service.....	\$3,018,178
	Naval reserves.....	2,439,417
	Merchant ships, etc....	845,750
Canada.....	Mail pay.....	1,100,775
Australia.....	do.....	846,365
South Africa.....	do.....	767,790
France.....	Navigation bounty.....	216,000
	Mail subventions.....	4,708,655
	Fisheries.....	182,448
Norway.....	Subsidies.....	2,760,000
Denmark.....	Mail pay.....	229,256
Sweden.....	do.....	21,000
Italy.....	Mail and navigation....	14,100,000
Japan.....	do.....	4,833,411
Brazil.....	do.....	2,956,160
Spain.....	Mail and subsidies.....	3,300,214
Total.....		42,265,220

Mr. RANDELL. Great Britain naturally, because of its commanding position in ocean carrying, is the one nation to which we should look closely. Picking apart the direct aid of

\$6,243,345, we find that the mother country pays \$3,018,178 for "foreign and colonial packet services." All that goes in British ships, as I have pointed out elsewhere. The next largest item is \$2,439,417 for "naval reserves," a direct subvention to merchant ships and merchant officers to enable the nation to command services of ships and men immediately in time of war. The balance is made up of appropriations for "royal service of merchant cruisers" and for merchant ships direct; that is direct from the British exchequer itself.

When we delve into the direct aids given by the colonies, the sums for merchant ships from the public funds grow rapidly. There is Canada, for instance, that in mail pay alone, as was shown by a detailed table on page 523 of the RECORD by the Senator from Florida [Mr. FLETCHER], paid \$1,050,800 in 1921-22 and is paying \$1,100,775 in 1922-23. Much comment has been made about our own mail pay bills of about \$5,000,000, and yet Canada, with about one-twentieth of our population and with actual resources infinitesimal as compared with ours, can afford to pay more than one-fifth that sum.

Taking the much-disputed Australian figures, we can safely extract without fear of comment the \$846,365 which she pays to ships for mail carrying, including the Fiji Islands service. Add to this the \$767,790 paid by South Africa and we have from Great Britain itself and only three of its many colonies a grand total of almost \$9,000,000—to be exact, \$8,958,275.

That aid is of substantial benefit to British shipping without doubt, but Great Britain did much more indirectly for her marine workers when immediately after the war she lifted the ban of State control. That angle of the shipping situation is so important to merchant marine development that its value can not be estimated. It is best reflected in the comparative figures of idle tonnage, to which I refer elsewhere. Would to heaven, Mr. President, we had had the wisdom to follow the example of Great Britain and have made some disposition immediately after the war of our ships, thereby placing them in private hands.

Continuing our analysis of other foreign aids we find France increasing its mail subsidies for Far East service from 20,000,000 francs in 1922 to 45,000,000 francs for 1923. With 16,000,000 francs allotted to lines running to Portugal, Brazil, Argentina, and Uruguay; 6,398,000 francs for trans-Atlantic and 2,500,000 additional for New York runs, we find France paying 70,438,000 francs in 1923 for mail service alone. Even at the depreciated value of the franc this grand total almost equals our mail pay bill, yet France has less than half our population. Adding to the French mail pay the actual appropriated navigation and fisheries bounties, we find France directly aiding its shipping to the extent of \$5,107,104; and this in the face of a financial crisis that is the comment of all the thinking world to-day.

Norway, in proportion to its size one of the most important ocean carrying nations in the world, is so impressed with the importance of maintaining its ships on the seas that this coming year it is granting direct aid of \$2,760,000, an amount per capita that is staggering and which makes our own plea for \$30,000,000 for American ships fade into insignificance.

Before leaving this subject of direct aid, I will say that the value of national cooperation in business is wonderfully exemplified by little Denmark, as much a shipping country as a farming and dairy country. It was on Friday last only that I saw it stated in a shipping journal that Denmark's merchant fleet was 100 per cent active. Thus Denmark is the only nation in the world with all of its ships busy. There is much food for thought in that brief statement; but the answer lies in the intense nationalism that makes all her people only too eager to help one another and which leads her farmers to insist that Danish ships carry Danish products wherever possible.

We must not forget, too, that Japan is preparing, if she has not already done so, to grant a construction loan fund of 250,000,000 yen to her merchant-ship builders, to be spent for fast liners only—the very type of vessel most needed as naval auxiliaries. By a strange chance—I will not say design—this amount equals the \$125,000,000 we wish to have in our own construction loan fund for practically the same purposes—the building in American yards of the very types of vessels now lacking in our national merchant fleet.

COMPARATIVE COST OF OPERATION HERE AND ABROAD.

Mr. President, I now wish briefly to discuss the comparative cost of operation of ships here and abroad. Much has been said and written about the difference in operating costs of American ships and those of our maritime rivals. Wage scales on our ships in foreign trades easily average 30 per cent above the scales paid by our closest rival—Great Britain. They average so far above the others—the Scandinavian, Dutch, Japanese, and German—that the difference is not worth discussing here in detail.

These facts were just as glaring before the World War as they are to-day. They operated effectively then to prevent our entrance into our own foreign carrying trade to such an extent that in 1913 less than 10 per cent of our commerce was carried in our own ships. On its face, that might seem a shameful thing for any nation with such wonderful access to the sea as we have. In extenuation of that helpless maritime condition we can only say that our men who did go to sea were better paid, better fed, better housed, and better safeguarded than the seafarers of any other maritime nation.

Mr. POMERENE. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Ohio?

Mr. RANDELL. I shall be glad to yield to the Senator.

Mr. POMERENE. The Senator from Louisiana has just pointed out the large increase in the cost of operating ships in Great Britain over what it is in other countries. If that be so, then how is British shipping able to compete with the shipping of other countries?

Mr. RANDELL. I said that the cost in this country was about 30 per cent higher than the scales paid by Great Britain, and that Great Britain's scales were higher than those in other countries. That is true. The only way I can account for Great Britain's doing so much business when the wage scales are higher is because of the very great efficiency of the British merchant marine. It is so large; it forms such a very great percentage of all the marine of the world; the British have been masters in that line for so many years, I may say for so many centuries, that they have attained a commanding position and held it; but I should like to remind the Senator that many thinkers believe that the late World War was really the result of commercial jealousy and rivalry between Great Britain and Germany. Germany had built up a marvelous merchant marine prior to the outbreak of the war, and it was said that it was cutting into Great Britain's business in many of the countries of the world. It was taking a very large percentage of that business. Now, of course, the German fleet has been destroyed. Great Britain now has a great part of that fleet. We have a large part of it. I suppose France and Italy got their portions of the fleet. I have just brought out figures here to show that Australia received quite a number of those German vessels. Since the war we have had only a comparatively few privately owned and operated vessels to compete with Great Britain. The French merchant marine never seems to have been a success for some cause or other. The Italians have had a moderate degree of success, but they are not in a position to be world carriers. To a great extent they have handled their own business, but they have not been carriers for the rest of the world. The Norwegians have been to a great extent world carriers; but they, too, have only a limited number of ships, and there is plenty for them to do and at the same time for the British to do. The Japanese have come into the world of seagoing shipping very actively during the last few years, and my prediction is that they are going to be very powerful rivals both to Great Britain and to the United States.

Unless we can build up a merchant marine on some basis to compete with England, I do not see how it is possible for us to get a fair share of the world's commerce. I think the British are so much more skilled than we are in these marine matters, so much more skilled than any other nation, that they are going to continue to do the business. That may not be a very complete answer to the Senator's question, but it is the best I can give at this moment.

Mr. POMERENE. Mr. President, some of these reports—I think the report made by the minority members in the House; I thought I had it here; I have it somewhere—point out that the labor cost of operating our merchant marine is only 2 per cent higher than it is in Great Britain. Does that accord with the Senator's recollection?

Mr. RANDELL. No; that is not so, as I understand it. I have here a table which I do not want to take the time of the Senate to read in its entirety, but I should like to call to the Senator's attention some of these actual cases.

For instance, I have here the ship *Bantu*, a United States vessel of 4,229 tons. The monthly pay of that vessel, speaking of wages now—I am not going to discuss all of these features—the monthly pay of that vessel was \$3,235 for the 46 men of the crew. Compare that with the British ship *Bonny*, of 4,229 tons. It happens to be exactly the same size. In the crew of the British ship there were 43 men, as compared with the 46 in the American ship, and the monthly pay there was \$2,466, as compared with a pay of \$3,235 in the American ship.

Take the next case, the *Galesburg*, an American ship of 5,138 tons, compared with the *Ballygally Head*, an English ship of 5,179 tons. The United States ship had 39 men in her crew, the British ship 42 men. The wages of the American ship were \$3,097; the wages of the British ship, \$2,350.

So in quite a number of cases I give you the actual vessels of both Great Britain and America, and give you the actual wages; so it is not theory at all, but it is a plain, simple statement of facts which may be verified.

Mr. POMERENE. I do not find just what I had in mind, but here is something bearing on the subject. The report of Congressman DAVIS on this bill, when it was in the House, quotes from Mr. Lasker:

Chairman Lasker stated at the hearings that "There has been a difference."

Note, he says—

there has been a difference—

A difference of 25 to 30 per cent.

There has been a difference of 25 to 30 per cent, almost constant, in the wage between the American and British ship. That difference is cut away down now.

During the discussion of the question of comparative wages of American and British crews, the following question was asked and answer given:

"Mr. HARDY. * * * I have a statement here showing the difference in cost of crews amounts to nothing.

"Mr. LASKER. I do not know at the present moment that it does amount to anything."

There is a great deal of other evidence to the same effect. I realize that witnesses have testified to substantially what the Senator stated, and I am at a loss to understand why there is this difference of opinion as between experts who at least ought to have investigated this subject before they testified.

WAGE DIFFERENCE FAVORS BRITISH.

Mr. RANDELL. I will say to the Senator that so far as my examination goes there is a very great difference between the wages paid on American vessels and those paid on British vessels. There does seem to be the difference of opinion that he states, but I have gone into the matter just as fully as I can.

I am citing the tables showing the actual wages paid, and I shall be glad to look into the matter further, if I can, to see which set of witnesses has told the exact truth in this matter. The Senator knows, as a matter of common knowledge, that wages in America are higher in nearly everything than in Great Britain. I will say to the Senator that there is another question connected with that, if we are going to go into that discussion. There is the question of better food. We are required to give our men very much better food than they do in British ships. We are required to furnish them a great deal larger amount of air space. We are required to make them a great deal more comfortable than the requirements of the British marine. There is no doubt that the expense of operating our ships is very considerably higher, when all things are considered.

Mr. POMERENE. Mr. President, I realize that our food requirements are better than they are in other nations, and they ought to be better.

Mr. RANDELL. I quite agree with the Senator.

Mr. POMERENE. There is not any difference of opinion between us on that subject; but Congressman DAVIS evidently refers here to the testimony of Mr. Rosseter, who is a man of large experience; and this question was asked:

Mr. VARR. Have you any figures showing the cost of manning an English ship as compared with the cost of manning an American ship of the same size?

Mr. ROSSETER. Yes, sir. The prejudice on account of the somewhat higher wages and of the larger manning scale amounts to about 2 per cent of our operating cost.

And at another place here:

This feature was aptly expressed by Mr. J. S. Rosseter in a letter to Mr. E. N. Hurley, chairman Shipping Board, in 1919.

Not to quote the whole of it, he used this language—I am reading now from page 26 of Congressman DAVIS's report:

The prejudice of higher costs of manning, by which I mean larger crews at higher pay and extra cost of victualing, can be fairly stated as amounting to less than 2 per cent of the total operating expense. This can be entirely offset, and more, by a reasonable increase in the speed of our ships and by improving loading and discharging equipment, thus reducing the time in port as well as on voyage.

At another point, I think in this same report—in any event, it appears in the testimony—it was said that the cost of manning the vessels and the cost of the foodstuffs was only a comparatively small per cent of the total cost of operating the ships. I have in mind at the present time one witness who testified that the cost of victualing and manning the ships was only 7 per cent of the total expense. Can the Senator inform me as to whether or not that is correct?

Mr. RANSDALL. I can not give the Senator any information on that subject. The Senator will bear in mind that there were a great many witnesses. This testimony was taken for several months. It went through a long, long period, and there was a great deal of difference of opinion in regard to the matter, but the best evidence, as I say, as I have been able to analyze it—I should be glad to try to go into it a little bit more in detail in response to the Senator's question—from the best evidence that I can gather it costs considerably more to man and operate an American vessel than it does a British vessel. Let me remind the Senator that even if the difference were only 2 per cent for the actual cost of operation, that is a very big item. The cost of operation is the biggest thing connected with a vessel. This subsidy that so many people are objecting to amounts, experts tell us—and I do not know whether they are stating it correctly or not—to only about one-fifth of the fuel cost of operating a vessel. The cost of operating is a tremendously expensive thing. It includes the fuel, of course; it includes the wages; it includes everything connected with a ship; and even if you take Mr. Rosseter's figures there and say that it costs only about 2 per cent more for the operating cost in America than in England, that difference alone would be a very, very large one in favor of the British merchant marine.

Mr. POMERENE. Mr. President, I have been having serious trouble in coming to a conclusion as to what I ought to do on this subject. I sometimes hear the men who are insisting upon a subsidy declare that it is utterly impossible to operate without a subsidy. I find others who apparently are worthy of equal credence who tell me that it is not necessary. Now, it does seem to me that with all the actuaries we have, we ought to have some definite statement from the Shipping Board bearing on this subject, and we ought not to be left entirely in the dark about it.

Mr. RANSDALL. May I say that I quite agree with the Senator that we ought to have something a little bit more definite than we have; but I believe we have fairly definite information. The proof of the pudding is always in the eating, and we learn from the Shipping Board experts that it has been costing a considerable sum to try to operate American vessels. They have not been making money; they have been losing money. The Shipping Board has been trying its level best to operate them so as to make money, but they have told us they are losing around \$50,000,000 a year, including the care of the vessels, their operation, and so forth.

Mr. POMERENE. I recognize the fact that that statement has been made, but I have no figures which will enable me to make comparisons. Of course, we recognize the fact that the shipping of the world is about as low as it can possibly be. It is not a question of financial difficulties with Government-owned ships alone but there are financial difficulties on the part of privately owned vessels.

I have information to the effect that one certain company is willing to take a number of these vessels and operate them with or without subsidy, whether this bill passes or does not pass. I am not a shipping expert, but I would like to have some evidence from some expert if I can get it which will enable me to come to a conclusion.

COST TABLES IN COMMITTEE HEARINGS.

Mr. JONES of Washington. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Washington?

Mr. RANSDALL. I yield.

Mr. JONES of Washington. I desire to call the Senator's attention to page 169 of volume 1 of the hearings, which gives tables submitted by the Shipping Board itself. The Senator will find the tables of wages on various ships, American, British, German, Norwegian, and so forth, giving the compensation of the crew. I gave the Senator the page, and he can examine it. I will give just one instance. I want to call the Senator's attention to the fact that a survey of the whole situation was made by the Shipping Board and presented to the committee. This gives the crew list, the monthly wages on similar American, British, and German steamers, as of December, 1921. The figures are as follows:

American steamship *Munwood*, 3,190 gross tons.

German steamship *Amassia*, 3,300 gross tons.

British steamship *Munardan*, 3,813 gross tons.

Here is a statement of the pay of the crew of the American ship, including officers, per month. It amounts to \$3,107.50. On the British ship it amounts to 538 pounds and 10 shillings. If you count the pound at even \$5, there is still quite a difference between the two. On the German ships the cost is 33,200 marks. I do not know how you could figure that, the way marks are now. But we can compare the British and American

ships. The Senator will find several statements there with reference to that subject. Like the Senator, I am not a shipping man; I am not an expert; but these are figures which are submitted by the Shipping Board after a very careful investigation and survey of the situation.

Mr. POMERENE. I recognize the fact that it is almost impossible to make comparisons as to cost under present rates of exchange between the various countries, but it does seem to me we could get some figures which would tell us what the total cost of the operation of a ship is, what the wage cost is, what the ratio between wage cost and total cost is, and then we can probably reach some sort of a conclusion, even if it is not entirely satisfactory.

Mr. JONES of Washington. I think the Senator will find these figures to which I have just referred as definite as any figures anyone can hope to get. They give different exchange rates, and the Senator can figure any rate he sees fit to. If the highest possible value of the pound is taken as \$5, there is still quite a difference.

Mr. POMERENE. Of course, I intend to look into this further, but it seems I can get more misinformation on this subject than upon any other subject I have been in contact with for some time, and I do not know what to depend on.

Mr. RANSDALL. This is one of the most difficult subjects this Nation or any other nation has been confronted with. We know very well that the present merchant marine was a war necessity, and that it cost us over \$3,000,000,000. That is such a staggering sum that I can not comprehend it, and I do not believe anyone else can. It is a colossal study; it is a difficult study. We have been doing the very best we could to work it out, and I think the Shipping Board have been doing the very best they could to work it out, and that is a board composed of as good men as we can find. This bill is their unanimous verdict of what should be passed, and they agree unanimously on the facts in support of this bill.

Mr. POMERENE. I do not mean to reflect upon this board at all, because my judgment is that they are high-minded men, and I have no doubt but what they are doing the best they can; but when these figures are brought to me, necessarily I am prompted to inquire what information have they on the subject. Are they experienced shipping men?

Mr. RANSDALL. They have a number of shipping men in their employ.

Mr. POMERENE. I understand that; but some weeks ago the Senator from Florida [Mr. FLETCHER] read into the record an opinion by Mr. Dollar, one of the very successful shipping men of the country, in which he contends that a subsidy is not necessary. I have talked with other shipping men, who have told me, as I said before, that they were ready to buy these ships, or a certain number of them, and operate them, and they did not care whether there was a subsidy or not. When I am confronted with evidence of that kind, and other men who have had no experience in shipping come and tell me it is utterly impossible to operate the ships without a subsidy, what conclusion am I to reach? Above everything else, I want a merchant marine. I think it would be a calamity if we let this get out of America's hands. I am not enamored of Government operation, either of shipping or of railroads.

Mr. RANSDALL. The Senator knows we have not had a merchant marine in the past. When the war broke out we were carrying only 9 per cent of our commerce, and we have the ships now, and this is the only plan that has been offered, except continuation of Government ownership. There may be some difference of opinion as to what it cost to operate a ship here and what it cost to operate a ship there; but it is a fact that nobody can deny that it has been a very expensive thing to the American people to build these ships, and we are continually losing money on them. Nobody can deny that.

Mr. POMERENE. There is no doubt about that; but my history informs me that before the Civil War we did have a merchant marine, and it was a merchant marine of which we were very proud.

Mr. RANSDALL. The Senator's history also tells him that we had a discriminating duty at that time, and the merchant marine was built up on a discriminating duty. If we could have the discriminating duty now I would infinitely prefer it to this. I would put this subsidy bill aside in a second if we could enforce the discriminating duty provided for in existing law.

Mr. POMERENE. The Senator has brought up a subject I have been thinking a great deal about. I recognize the fact that we have authorized the denouncement of treaties so that we could have this discriminating duty, and two Presidents of the United States did not see fit to use the power which was

given to them by the Congress. That has not as yet convinced me that it ought not to have been done. It has seemed to me, as I have gone into this, that there are two things we could do: One is to enforce a discriminating duty in favor of goods that are brought into this country in American bottoms. The other is to do as Germany has done—give a preferential freight rate to goods going out of the country. In that way Germany has been able to indirectly defeat the provisions in these very treaties which are in force at the present time. Other countries can do this by indirection, but I love the American way of doing things by direction.

As I have said, I am disappointed when I think that while the minority of the committee have presented their views they have not come with a concrete suggestion of some sort of a substitute measure for this bill. The fleet is here. We have to deal with it. What are we going to do with it? I want to do the best thing I can.

DISCRIMINATING DUTIES PREFERRED.

Mr. RANDELL. Mr. President, in regard to this discriminating duty, I will say that we tried to put that into effect some years ago—I think it was in 1914 that the act was passed—and it has been on the statute books. The courts held it was in contravention of our treaties with other nations; and to overcome that, in 1920 we included in the merchant marine act of that year section 34, instructing the President to denounce these treaties—if there were any treaties in contravention, to get rid of them by denouncing them in accordance with the regular treaty arrangement. He did not do it. When Mr. Harding came in, 15 months ago, he did not do it either; and so it goes. It does not look to me as if we can get rid of them as a practical proposition; and even if we go to denouncing them under that law, I presume it would take well on to a year to get rid of them and get other treaties; and in the meantime what is going to happen to us?

I want to say to the Senator that personally I would infinitely prefer that the discriminating duties which are provided for in the law should be carried out in good faith; and if we can have that, I, for one, will never support a subsidy. But I do not know how to get it. If the Senator or anybody else can suggest a reasonable way in which we can put these discriminatory duties in force, then in heaven's name let us get them. But until we do get them, let us do the next best thing—pass this bill—for nobody else has suggested anything in lieu thereof.

Mr. POMERENE. Mr. President, the Senator has just suggested that if we did denounce these treaties it would take a year before we could do anything. It will be a year before we get anything done under this bill that will be of any particular consequence to the country.

Mr. McKELLAR. We could not sell the ships now, anyway. Mr. POMERENE. I may vote for this bill before we get through with it.

Mr. RANDELL. I hope the Senator will.

Mr. POMERENE. I do not think the Senator is hoping very strongly that I will, in view of the fact that he himself confesses that he prefers some other plan to this subsidy feature. The Senator has given a great deal of study to this. I wish he would prepare a bill along the lines of what is his best thought and what harmonizes with his preferences on this subject. It would help me immensely in coming to a conclusion. I hope we will have a little more light before we get through with this discussion.

Mr. JONES of Washington. Mr. President, I am very hopeful, with the Senator from Ohio. I know he wants to do the same thing I do. I just want to call his attention to the fact that the minority, in the views to which he has referred, declare themselves emphatically against Government ownership and operation.

I rose to call to the Senator's attention an article in the August, 1922, number of the *World's Work*. I heard him refer to Robert Dollar. This is an article by Robert Dollar, and I want to read to the Senator just a brief paragraph. This is at page 447 of that work. Listen to what Mr. Dollar says:

Under present conditions it costs the American shipowner more to operate his vessels than those of any other nation. This is not hearsay; I have before me recent figures, not made up for the occasion but taken off the reports that come to me regularly for my private information, concerning vessels in our own fleet. Here they are:

Kind of vessel.	Number of men.	Monthly cost.
Shipping Board steamer (American crew).....	34	\$3,718.50
American steamer (Chinese crew).....	46	2,124.50
British steamer (Chinese crew).....	44	1,567.20
Japanese steamer (Japanese crew).....	36	1,403.12

Mr. McKELLAR. I thought perhaps the Senator from Washington would be willing to take the figures as presented by the author of the bill, Mr. Lasker, and I want to read what Mr. Lasker said about the difference in labor costs. He said:

But I do know this, that to-day the labor cost between Britain and the United States is closer together than it ever was before in the history of shipping.

Again, while he was being examined by Congressman HARDY, he was asked:

If that is left out of this, then I do not want to go into that, except I have a statement here showing the difference in cost of crews amounts to nothing.

Mr. LASKER. I do not know at the present moment that it does amount to anything.

In other words, Mr. Lasker admits that there is no difference in labor cost between Great Britain and the United States at this time.

Mr. JONES of Washington. I merely want to suggest that I have not had the time to read all through Mr. Lasker's statement. I do know, however, that frequently and very naturally during his testimony in answer to questions he referred to the experts of the Shipping Board. Mr. Lasker is not a practical shipping man, as he frankly admits.

Mr. McKELLAR. The quotation which I cited will be found on pages 33 and 36 of the hearings.

Mr. JONES of Washington. I know how easy it is to take out of the testimony of a witness sentences or clauses that support a particular view, and it may appear that this was an opinion of the man or an express statement of the man when, if one would read his whole testimony, it would be seen that it does not correctly give his view and his idea. But it is certain that what I called to the attention of the Senator from Ohio [Mr. POMERENE] a moment ago was prepared by the experts of the Shipping Board and submitted to the committee and perhaps to the Shipping Board and Mr. Lasker. Mr. Lasker refers to it in his testimony. But what I have just read from *The World's Work* came from a really practical shipping man, and he said that these are his private advices which came to him for his particular information and not to satisfy any particular occasion.

I frankly say that I do not attach very much importance to a statement of opinion from Mr. Lasker as to the wage cost on a ship, because his experts submit the testimony that they gathered with reference to the actual cost. I have not had an opportunity to read Mr. Lasker's testimony through. Taking what the Senator quoted just by itself and standing alone, of course, we see what he expresses there, but I am satisfied that is not in harmony with the report of the experts. I am satisfied, if the Senator will read the whole of the testimony of Mr. Lasker, he will see what Mr. Lasker intended to express.

Mr. DIAL and Mr. McKELLAR addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Louisiana yield; and if so, to whom?

Mr. RANDELL. Mr. President, I have been very indulgent, but I wish to proceed with my presentation of the subject. I was anxious to give Senators an opportunity to present their views, but I prefer that they do it in their own way and in their own time. I have been glad to have the interruptions, but I wish to go on now with what I was saying on the subject of comparative costs.

It is a matter of shame to this Nation, to every one of us personally, that we did not see to it that this field for marine endeavor was broadened by some protective measures for our shipping, so that this great opportunity for useful work would be opened to thousands of other Americans at American wage scales, under American living conditions, and to the lasting benefit of America in peace or war.

It is to give that opportunity, to gain that important field of work, that the present bill has been drawn.

MANY OTHER COSTS ARE HIGHER.

Under its protection and with Government aid shipowners will be able to partly offset this great prime differential against our ships. Of course, there are other differentials in the shipping business that react against our vessels. I need only mention the higher cost of repairs which must be made in American shipyards if the ship is to receive Government aid; the higher administrative costs, due to better paid clerks, agents, stevedores, and so forth; and all of these higher wage costs are due to our better standard of living and the broader chance for advancement this country affords to the individual. We do not wish to restrict that chance for advancement, nor would we lessen the opportunity our ways of living provide for us all. And it is to extend and perpetuate that chance and opportunity that we are seeking to assist America's shipping enterprise.

I will not burden you with the technical details of how foreign wage scales at sea cut so far under American wage scales at the present moment that overseas carrying is not profitable for us. Without objection, I will offer for the Record a table of American and foreign ships so arranged and compared that anyone may see at a glance how great the American handicap is in this regard. All these wage scales have been taken from the actual ships' articles, and have appeared either in the hearings on the bill or in the Record, and all of them are of this year's date. They speak for themselves more potently than I could speak for them and furnish ample reason by their very being for the immediate passage of this bill.

Wage scales.

Nation.	Ship.	Tons.	Fuel.	Number men.	Monthly pay.
United States	Bantu.....	4,229	Coal.....	46	\$3,235.00
British	Bonny.....	4,229	do.....	43	2,466.50
United States	Galesburg.....	5,138	do.....	39	3,097.50
British	Ballyally Head.....	5,179	do.....	42	2,350.71
United States	Hog Island.....	7,800	Oil.....	32	2,792.50
British	Cornish Point.....	8,200	Coal.....	40	2,067.50
United States	America.....	21,114	do.....	612	37,916.25
British	Baltic.....	23,884	do.....	364	18,464.75
United States	Susquehanna.....	11,700	do.....	174	11,715.00
British	Berrima.....	11,202	do.....	174	8,067.75
United States	8,800 deadweight type.....	do.....	do.....	41	3,135.00
British	8,800 tonnage type.....	do.....	do.....	41	2,351.00
United States	Independence Hall.....	5,050	Oil.....	34	2,707.50
British	Matoppe (Lascar).....	do.....	Coal.....	47	1,799.49
United States	Orleans.....	9,638	Oil.....	33	2,862.50
British	Mongolian Prince.....	9,670	Coal.....	42	2,269.50
United States	5,500 deadweight type.....	do.....	do.....	34	2,675.00
British	do.....	do.....	do.....	34	2,002.50
United States	Dakotan.....	10,200	Oil.....	33	2,762.50
British	Rexmore.....	10,200	do.....	42	2,231.00
United States	5,070 deadweight type.....	do.....	do.....	30	2,475.00
British	5,000 deadweight type.....	do.....	do.....	30	1,795.50
United States	3,390 deadweight type.....	do.....	do.....	27	2,305.00
British	do.....	do.....	do.....	27	1,651.50
United States	8,800 deadweight West type.....	do.....	do.....	34	2,795.00
British	do.....	do.....	do.....	34	2,025.00

Here is a mixed fleet employing 1,169 men for 13 American ships and only 960 men on the 13 British ships. The total monthly pay roll for the American vessels is \$80,473.75, an average of \$68.91 per month per man, while the monthly pay rolls of the 13 British ships total \$49,532.70, an average of \$51.90 per month per man.

Nation.	Ship.	Tons.	Fuel.	Number men.	Monthly pay.
United States	President Harrison.....	13,000	Oil.....	94	\$7,872.50
Japan	Rakuyo Maru.....	12,500	Coal.....	133	4,907.00
United States	Cananova.....	1,920	Oil.....	25	1,939.00
Danish	Borglum.....	1,909	Coal.....	25	1,633.00
United States	President Taft.....	14,123	Oil.....	190	9,969.50
Japan	Tenyo Maru.....	13,398	Coal.....	275	8,870.00
United States	Norlina.....	4,596	Oil.....	32	2,132.50
Swedish	Tasmanic.....	4,079	Coal.....	35	1,868.28
United States	Bird City.....	5,562	Oil.....	33	2,887.50
Dutch	Madiorn.....	6,803	Coal.....	57	2,485.47
United States	Catherine.....	2,130	do.....	32	2,232.00
Swedish	Karlsavick.....	2,373	do.....	26	1,401.88

In this mixed fleet we find the six American ships with a monthly pay roll totaling \$27,033 for its 406 men, an average of \$66 per man, while the six foreign vessels are run with an aggregate monthly pay roll of \$21,185.63, or an average of \$38.45 per month for each of its 551 men.

In regard to the differential against American ships, due to subsistence cost and to accommodations for the crew, you have only to look over the requirements of the seamen's law and contrast the home living conditions ashore of the American sailor and his foreign rival. There is no comparison as to quantity and quality of food served, nor can the living quarters of American and foreign ships be contrasted without everyone admitting that American standards are maintained afloat as they are ashore.

While on the subject of subsistence let me call attention to the increasing cost of Asiatics aboard British ships. The lascar makes a good seaman from the British owner's viewpoint, because he is cheaply fed and cheaply paid. Our bill bars the employment of persons not eligible to become citizens from both deck and engine-room forces and requires after a brief time that two-thirds of the crew must be citizens of the United States. This is one of the wisest and most important provisions of the bill.

OUR TONNAGE IN FOREIGN TRADE.

Mr. President, I ask permission to insert in the Record without reading the tabulation and statement in regard to our tonnage in foreign trade.

The PRESIDING OFFICER. Without objection, the statement will be inserted in the Record.

The statement is as follows:

If American shipping needs no aid, if it can meet foreign competition, and is meeting it successfully, as the opponents of the shipping bill assert, then they must have sources of information that are denied to me, and which, apparently, are denied to the Government of the United States. I have had some research made of the status of our foreign trade, from a number of angles, and no matter from what angle the situation is approached the analysis reveals one fact strikingly and unmistakably, and that is that the American merchant marine not only is not standing up under competition but is falling back steadily and continuously. This is the fruit of delay in securing legislation and the enforcement of that legislation so as to assure the permanency of an American merchant marine that will be consonant with the importance of our position in the international trade of the world. The merchant marine that we now have, under a continuance of the conditions we now have, is a helpless giant, mighty in tonnage but weak almost every way save numerically.

We need look no further than the record of the past few years. We came upon the seas, we saw an opportunity for strength where before there had been only weakness, but we did not conquer. No; we are being conquered.

The most recent figures that I have of our sea trade are for the nine months of this year ended September 30 last, and for the similar periods of the years 1919, 1920, and 1921. These figures represent the values of our imports and exports combined carried in American and foreign vessels.

In 1914 the entire foreign-trade fleet under the American flag aggregated only 1,076,000 gross tons. At the beginning of 1919 our merchant marine for sea commerce totaled about 5,000,000 tons. In 1920 it was 8,000,000 tons; in 1921, about 10,400,000 tons. At the beginning of this year it was about 10,300,000 tons, and it is now about 9,800,000 tons, or practically double what it was at the beginning of 1919, a gain in the past four years of 100 per cent. If with 1,000,000 tons before the beginning of the war we carried 10 per cent of our foreign trade, the natural thought would be that with ten times that amount of tonnage we would be in a position, so far as cargo space goes, at least, to carry all our imports and exports, especially as the volume of trade now is and has been less than it was before the war. Of course, however, a monopoly of the ocean transportation of all the commodities we exchange with other nations is neither possible nor to be desired. What we want and what we are entitled to is a fair share of our sea trade. With Great Britain transporting nearly 70 per cent of her foreign trade, how can she oppose our aspiration to carry at least half, and ultimately as much as two-thirds, of ours?

There is no reason why we should not be transporting half of that commerce right now—no reason but one, and that is that we have left foreigners in exclusive possession of advantages under which they are steadily increasing their control over the distribution of our goods. It will cost us some millions of dollars to offset these foreign advantages, but it will cost us billions if we do not take steps to overcome them and give our merchant marine a chance for existence.

Permit me to lay before you briefly the records of the past four years to which I have referred. In the 1919 period—comprising the first nine months of that year—the carriage of our sea trade was practically equally divided between three groups of shipping—one composed of our own vessels, another of British ships, and the third of the tonnage of all the other foreign maritime nations combined. The value of the imports and exports carried and the percentage for each group of carriers was as follows:

	Value.	Per cent.
American.....	\$2,580,000,000	34.3
British.....	2,496,000,000	33.2
Other foreign.....	2,448,000,000	32.5
Total.....	7,524,000,000	

This may be regarded as the start of the post-war race for ocean commerce. In the three-cornered contest we held a slight lead. Competition had not come into play, for there was employment for all ships that could carry cargoes. American shipyards were at the peak of production, others had not begun to catch up on their war losses of tonnage, and we were in a position to utilize the output of our yards and gain new trade before the other maritime nations were in a position to compete. To get and hold that trade meant the establishment of an adequate American merchant marine. We got it, but we did not hold it.

The record for the 1920 period shows how we got it. In 1919 our vessels carried American imports and exports valued at \$84,000,000 more than those transported by British vessels. In 1920 our lead over the British jumped to \$840,000,000. But a more remarkable contrast is to be found in the comparison of what our vessels carried and what those of the other than British nations did. For the 1919 period our lead was \$132,000,000, while in the 1920 period it was \$2,132,000,000. It is worthy of note, also, that while in the 1919 period British ships carried only \$48,000,000 more worth of goods in our trade than all other foreign ships, in 1920 she led by \$1,292,000,000.

Those were the days of high prices and high freights and little competition. Our share of the carrying trade jumped 10 per cent in the 1920 period and Britain's 2 per cent, but the proportion for the other foreign countries dropped 12 per cent. But the 1921 period presents a very different picture. Our \$840,000,000 lead over Britain was reduced to \$65,000,000, and our \$2,132,000,000 lead over the other foreign nations fell to \$452,000,000. Competition was again under way and instead of cargoes seeking cargo space, cargo carriers were seeking cargo. Our percentage gain of the previous period was more than cut in half, while Britain held her own and the other maritime nations scored an advance of 5 per cent.

The 1922 period has witnessed the relegation of our merchant marine to second place. Instead of leading Britain by \$65,000,000, as

In 1921, she led us by about \$20,000,000, and instead of a \$452,000,000 lead over the other foreign nations we had one of \$311,000,000.

Here we are, then, practically back to our 1919 status, so far as the proportion of commodities carried in our own vessels is concerned, and with the lead we then held taken over by Great Britain, and this despite the doubling of our tonnage in the four years under review. As against that 100 per cent gain in cargo space we have made a gain of 1 per cent in the proportion of cargo carried by American vessels. Already Britain is leading us and the other foreign maritime nations are enlarging their slice of our trade at a rate that, if long continued, will put them ahead of us and we shall have moved from the head to the tail of the procession. That is the record of American shipping in competition with the cheaper built and cheaper operated foreign ships, whose owners are able to keep us from getting more than a nibble of their trade, while they carry off the bulk of ours.

So long as the foreigners continue to increase their share of our carrying trade and there is no increase in the volume of that trade there can be but one outcome, and that is more idle tonnage under the American flag. Here is another phase of the situation which those who claim that the American merchant marine can meet competition will do well to study.

It is true that we lack in this country close "cooperation on the part of shippers and shipowners and people generally." Business the world over is cold-blooded. The best service at the lowest rate is the universal motto. If American ships can not give as low rates as foreign ships because of their higher capital and operating costs, they can not get cargoes. If they can not give as good service when those first costs have been equalized by Government aid, they still will not get cargoes. But in every line of endeavor—invention, manufacturing, production—American genius and ability have triumphed, and only need something near an equal chance in the competition, whether that be an international sporting event, a world-wide financial deal, or an improved process of manufacturing a general utility. The world's history in the last century has shown American success in every field of endeavor, in spite of many handicaps, and knowing this one can not fail to believe that in the contest for world trade America will win if given half a chance.

Mr. RANDELL. I also ask to insert without reading a tabulation and statement in regard to the idle vessels here and in Great Britain.

The PRESIDING OFFICER. Without objection, the statement will be inserted in the RECORD.

The statement is as follows:

IDLE VESSELS HERE AND IN GREAT BRITAIN—FOREIGN SHIPS PAY DIVIDENDS.

At the beginning of July last there was said to be laid up in the ports of the world 7,750,000 net tons of shipping. On the same date there was laid up in British ports 1,112,000 net tons.

Commenting on this fact, a British publication, *Siren and Shipping*, in its issue of November 22, 1922, says:

"Even grouping the foreign ships in British ports to swell our total we are confronted with the pleasing fact that whereas we have under our flag two-fifths (or fourteen thirty-fifths) of the world's tonnage, we had only one-seventh (or five thirty-fifths) of the world's idle shipping on our hands. This is a gratifying tribute both to British ships and their owners."

The same publication, in the same issue, gives comparative figures of laid-up tonnage in British ports at various dates, as taken from the records of the Chamber of Shipping of the United Kingdom, as follows:

	Ships.	Net tons.
Oct. 25, 1921.....	742	1,296,000
Jan. 1, 1922.....	712	1,307,000
Apr. 1, 1922.....	484	836,000
July 1, 1922.....	583	1,112,000
Oct. 1, 1922.....	456	824,000

Speaking of the lessening of inactivity apparent on October 1 last, the British paper says:

"Whether the greater buoyancy which has recently characterized the trade marts of the world will be continued, time alone can show. One thing is certain, viz, that the British shipowner is better prepared than any other of his rivals to immediately exploit any market which may open out. Just as he can keep running, thanks to economical ships and efficient methods when many of his competitors are unable to do so, so is he readiest to take the field when a chance of new employment presents itself."

This tribute to the ability of British ships to meet competition and their readiness to grasp any opportunities that may be offered by the expansion of foreign trade are well borne out by the figures cited. The moral to be drawn from our share in the world's laid-up tonnage is a very different one, however.

The British shipping paper *Fairplay*, in its issue of November 23, gives a table showing that at the middle of this year there were laid up in British ports 1,780,000 gross tons of vessels, while for the United States the figures were 3,978,000 tons. It is pointed out that of the ships tied up in Britain not all are British, but even if they had been the total would have represented only about 10 per cent of the entire British fleet. Our 3,978,000 tons, on the other hand, does not include wooden steamers, but the total is more than a third of our seagoing fleet. In other words, Britain, with a foreign trade fleet practically double ours, had less than half the amount of tonnage tied up. It is apparent that in the competition to secure employment for ships we have lost heavily.

If we consider the position now as compared with about a year ago, the contrast between the American and the British merchant marine is striking. British figures prepared by the Chamber of Shipping of the United Kingdom show that on October 25, 1921, the laid-up British tonnage totaled 1,158,000 net tons, and that on October 1, 1922, the total was 752,000 tons. Records of the United States Shipping Board give the total for the ships of the board laid up on November 5, 1921, as 6,989,000 dead-weight tons, and on October 28, 1922, as 6,426,000 tons. It should be noted that while the British figures are in net tons ours are in dead weight, and that therefore the

apparent reduction in the year of 406,000 tons of idle British ships and 563,000 tons for American vessels does not give a true picture of comparison. By applying percentages, however, it is found that the reduction in Britain's idle tonnage for the year represented 35 per cent, while the reduction for Shipping Board vessels was only 8 per cent. The ratio in favor of the British merchant marine therefore was more than 4 to 1.

Perhaps the picture will be clearer if we talk in terms of ships, and not of tonnage. Idle British vessels during the year under review were reduced from 654 to 419, a drop of 235, or 36 per cent. The Shipping Board's inactive vessels were reduced from 1,028 to 989, a decline of only 39 ships, or 4 per cent. In the reduction of inactive ships, then, Britain's gain was nine times ours.

The American figures shown take into account only the Government's steel vessels; but there is also a large volume of tonnage privately owned under the American flag which is out of commission for lack of cargoes. I have no official figures for this, but it can be conservatively estimated that at least 1,000,000 gross tons of private American shipping is inactive. That would represent about 20 per cent of the private foreign trade fleet. Of the Shipping Board's total steel tonnage two-thirds is idle, and the position has been practically unimproved during the past year. On November 8, 1921, for instance, 66.9 per cent of all the board's steel tonnage was tied up, while on October 8, 1922, the figure was 65.7 per cent, an improvement in a period of almost a year of only 1.2 per cent.

If American ships can compete on even terms with foreign ships, why are they not doing it? Let us not forget that even with only about one-third of its tonnage in operation, the Shipping Board is losing at the rate of about \$50,000,000 a year. And if you say that privately operated American tonnage is competing successfully, if they, too, are not losing money, I am at a loss to understand why British and other foreign shipping enterprises are declaring dividends of from 10 to 15 per cent and American companies are giving none.

At present we have more than a thousand steel vessels tied up, each one of which costs \$3,600 a year to maintain. To-day they may be worth about \$200,000,000,000. Depreciation of ships not in service is estimated at 10 per cent a year. The salvage value, therefore, of the idle fleet decreases automatically at the rate of \$20,000,000 a year. They are not salable without the subsidy and can not be operated by the Government without vastly increasing the Shipping Board deficits. These ships can not be sold unless the foreign handicap of cheaper operating cost is offset. Without this bill that handicap will be just as potent five years from now, and meanwhile the fleet will have been reduced in value by one-half.

If American ships can compete on equal terms with foreign carriers, they will obtain ample cargoes. Service being the same, the shipper will choose the lower rate. If foreign operating and capital costs are lower than American charges, foreign freight will be lower. If those differentials are offset by Government aid to American ships we can meet the foreigner on equal terms and obtain our share of the business.

BILLIONS PAID TO FOREIGNERS.

Mr. RANDELL. Now, Mr. President and Senators, I call the attention of the Senate particularly to a brief tabulation which I have made about the colossal sums that have been paid by this country to foreigners during the last 100 years for carrying our goods to and fro. I hope Senators will listen to the figures as I present them.

COLOSSAL SUMS PAID IN FREIGHTS, ETC., TO FOREIGN SHIPS.

In the past 100 years foreign interests have been paid more than \$28,000,000,000 in connection with the transportation by sea of American imports and exports. These figures are based on data of the Department of Commerce and the Shipping Board.

It is stated that freights, insurance, banking, brokerage, and other services connected with the shipment of goods in foreign trade approximate 25 per cent of the value of the goods themselves.

For the 100 years ended at the beginning of this year the value of American exports and imports by sea was as follows (1821-1921, inclusive):

Imports.....	\$62,174,000,000
Exports.....	86,629,000,000
Total trade.....	148,803,000,000

The division of this trade between the vessels carrying it was as follows:

	Value.	Per cent.
United States ships.....	\$35,631,000,000	24
British ships.....	56,545,000,000	38
Other foreign.....	56,627,000,000	38

During the century under review the shipping earnings in the carriage of American imports and exports were as follows:

	Value.	Per cent.
American.....	\$8,908,000,000	24
Foreign.....	28,293,000,000	76
Total.....	37,201,000,000	

From 1821 to 1862 an average of 80 per cent of our total foreign commerce was carried by American ships, but from 1862 to 1922 American participation decreased to an average of 19 per cent.

During the period from December 31, 1914, to December 31, 1920, the total value of our commerce by sea was \$47,626,000,000, the distribution of values carried by vessels being as follows:

	Value.	Per cent.
United States ships.....	\$12,130,000,000	26
British ships.....	19,810,000,000	42
Other foreign.....	15,686,000,000	38

The total paid to foreign interests during the 100 years was, therefore, \$28,293,000,000.

From the foundation of the Republic to the present time the Federal Government has expended for improvements of rivers, harbors, and canals, exclusive of the Panama Canal, the sum of only \$1,036,000,000, and for the construction of the Panama Canal, \$479,000,000—a total of only \$1,515,000,000.

Compare this sum of one and one-half billions paid for all our waterways, including the Panama Canal, in the 140 years of our national life with \$28,250,000,000 paid to foreign ships in the last hundred years.

If we had maintained an effective merchant marine during all these years and carried one-half our foreign commerce instead of 24 per cent thereof, the sum of \$9,608,666,666 out of this colossal sum of more than \$28,000,000,000 would have remained in this country. One year's interest at 3 per cent on this amount would have exceeded the subsidy proposed in the pending bill. In other words, if we pay the subsidy and thereby build up a strong merchant marine, the vast sums heretofore paid to foreigners will remain at home to enrich our own people.

Mr. BORAH. Mr. President—

Mr. RANDELL. I yield to the Senator from Idaho.

Mr. BORAH. It occurred to me that we ought to have an estimate as to what it would have cost us to maintain the merchant marine by subsidy during the one hundred and odd years to which the Senator referred.

Mr. RANDELL. If we had just carried out the wise shipping policy with which our forefathers started in 1789, the discriminating-duty policy under which we built up our merchant marine from nothing during that crucial year of our history, when we were carrying less than 9 per cent, so that five years thereafter we were carrying 90 per cent and also carrying much of the commerce of other countries—if that policy, sir, could have been kept up consistently, if we had not been hoodwinked by Great Britain into making treaties with her which were favorable to her and hurtful to us, if our old-time shipping policy could have prevailed, we would have carried continuously 90 per cent of our commerce or certainly more than three-fourths of it. I have just presented figures to show that from 1779 to 1860 we carried 80 per cent of our foreign commerce in our American ships. If we had continued to do that, we would have been better off, but we got away from that old policy, the Civil War intervened and the American merchant marine was destroyed during that war, and we have never had the vision to go back to the old policy. But for that, sir, we would have had a merchant marine without a subsidy.

OLD POLICY IS PREFERABLE.

The point I have tried to make is that I prefer the old policy, but we have been unable to go back to it. We adopted a discriminating duty in 1914 and it is in effect yet. In 1920 we adopted a provision in the shipping act of that year, section 34, directing, in the most positive manner, the President of the United States to denounce those treaties and go to the discriminating duty. He has not done it. Mr. Wilson did not do it and Mr. Harding has not done it. My contention is that the subsidy is the only thing practical that is offered. If the Senator can devise any reasonable method of relief so we can go to that discriminating-duty policy, I shall for one be glad to have it. I am only taking the subsidy because it is the best thing I know of and because other countries have taken it and made a success of it.

Mr. BORAH. That is a proposition about which the Senator and I disagree, as to other countries making a success of it through a subsidy.

Mr. RANDELL. We may disagree on that just as we are likely to do as to many things, but I have argued that fully and I am not going to go into it again. The Senator did not do me the honor of listening to that portion of my address, and I have already occupied so much time of the Senate I do not care to repeat; but I will ask him to read my speech, and, if he does so, I think he will find that a great deal of success has come to other countries from the subsidy policy.

Mr. BORAH. I read the speech which the Senator delivered before the termination of a recent session, from which I derived a great deal of information.

Mr. RANDELL. I am very glad, indeed, to know that; and I assure the Senator from Idaho that I appreciate his statement.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Tennessee?

Mr. RANDELL. I will yield for a question.

Mr. McKELLAR. I desire to do more than to ask a question. I wish to correct a mistake which I think the Senator from Louisiana has made; and it is a mistake which I know he would not want to make.

The Senator states that our great merchant marine was built up under discriminating duties prior to the Civil War, beginning almost with the commencement of our history. The historical facts are these: In our early history the merchant marine of the world was built up or was attempted to be built up by various kinds of discriminating duties; but in 1832, while Andrew Jackson was the President of the Republic, a law was passed which abolished all discriminating duties as against any nation which did not discriminate against us. It was thereafter, between 1832 and 1859, when there were no discriminating duties at all, that America made the greatest strides in building up her merchant marine. That merchant marine became so great, indeed, that it controlled nearly all of our overseas business. The Senator from Louisiana made the statement that our merchant marine before the Civil War was built up by reason of discriminating duties. He is in error in that respect. After 1832 there were no discriminating duties; and it was after 1832 that the great volume of our merchant marine was built up.

Mr. RANDELL. There was a long period, from 1789 to 1832, a period of 43 years, which were the real halcyon days of the American merchant marine. During all that long period of 43 years, as I recall history—I have not read it for some time—we imposed discriminating duties.

Mr. McKELLAR rose.

Mr. RANDELL. Wait a moment; the Senator will pardon me. Beyond question during that period we pursued the policy of discriminating duties. I recall the law to which the Senator refers which was passed under President Jackson.

Mr. McKELLAR. It was passed in 1832.

Mr. RANDELL. But a wonderful impetus had been given to our merchant marine under the discriminating duty act, which was passed, if I recall correctly, in July, 1789. From the very beginning of our Government we discriminated, and we placed our flag on every sea in the world. During that 43 years our merchant marine became very strong. As the result of some treaty arrangements and the law of 1832, to which the Senator refers, we did not discriminate thereafter; but we did considerable to aid our shipping. Does not the Senator from Tennessee remember the practical subsidy which was given to the Collins Line and to other lines of those days, to which we paid very large sums?

Mr. McKELLAR. Out of which there grew a great scandal.

Mr. RANDELL. There may have been a scandal; suppose there was; there have been many scandals in the history of the world, but we did aid our merchant marine very materially down to the very time of the Civil War. We either imposed discriminating duties or we granted mail subventions; at any rate, we always helped our merchant marine.

Mr. McKELLAR. If the Senator from Louisiana will permit me to add by way of correcting what I think is an error on his part, the Senator will recall that after the War of the Revolution we were in a constant struggle with Great Britain for trade. Then war came on between Great Britain and France, in which the United States became very nearly involved, all of which sufficed almost to blot our shipping off the seas. Then came the War of 1812, when our shipping was driven off the seas, and from that time until 1832, instead of the American merchant marine being built up it was in the greatest confusion and we were fighting for our life on the seas. It was only after 1832, when Andrew Jackson secured the passage of the law against discriminating duties, that our merchant marine really became a vital, splendid, living thing. It increased until the Civil War, when our shipping was again run off the seas, and it has never since that time come back.

Mr. RANDELL. Mr. President, I am glad the Senator from Tennessee thinks he has stated the historical aspect of the case correctly.

Mr. McKELLAR. I merely refer the Senator from Louisiana to history.

Mr. RANSDELL. Very well, I shall be very glad to look up the matter, but I do not agree with the Senator's historical statement at all. I think we had a wonderful merchant marine before 1832, and I should like the Senator to examine some of the subsidy acts which were passed by our great Democratic Congresses prior to 1859 up to the time of the Civil War. Should he do so, he will see that a great deal was done to aid the American merchant marine during those days.

Mr. McKELLAR. But it was not done by direct subsidies.

Mr. RANSDELL. I do not know what the Senator may call what was done during that time, but the aids provided were certainly very closely akin to subsidies. To me—

That which we call a rose,
By any other name would smell as sweet.

Mr. McKELLAR. I agree with the Senator that we ought to do everything in our power to build up a merchant marine in this country; I am just as much in favor of that as is he. The difference arises from the fact that he favors a direct cash subsidy, to be paid out of the Treasury of the United States, from the taxes of the people, to the Merchant Marine Trust, while I am opposed to that form of aid.

LITTLE INTEREST FOR MANY YEARS.

Mr. RANSDELL. I am glad to know the Senator from Tennessee wishes to build up an American merchant marine. We are together to that extent, anyway. The American Congress for many years has not evinced any real interest in the American merchant marine; but there is one thing certain, namely, that we have this big asset, and I think we ought to do something with it. The Senator from Tennessee proposes to turn it over as a side issue to the Department of Commerce, if I interpret his remarks correctly. I do not want to do that.

Mr. McKELLAR. I do not think the Senator from Louisiana has read my remarks, or he would have understood very differently.

Mr. RANSDELL. I do not know what the Senator would do, for his remarks and those of other Senators on the subject, and their reports, are so absolutely hazy, so difficult to understand, that I do not know what they want.

If Senators who oppose the pending bill would come here with a clean-cut substitute for it and state their proposals specifically and clearly and definitely, so that a child of 10 years would understand them, I should like to see them do it, for I am confronted with the difficult problem of letting our ships go to the demnition bow-wows or of voting for the passage of the pending measure.

I do not like subsidies any more than do others, but I can not overlook the fact that in the history of this country we have given what are substantially a great many subsidies. Will the Senator please tell me what but a subsidy were our tremendous donations to the railroads of 200,000,000 acres of land, worth from five to ten billion dollars, and probably as much additional given by the States and counties and municipalities in the way of taxes, bonds, and all kinds of exemptions? What were those if not subsidies? What is the aid which has recently been given by the National Government to highways, amounting to over \$500,000,000 in the last six years, and more contributed by the States and local municipalities, amounting in all to over a billion dollars? What is that, if you please, but a subsidy? What is the \$479,000,000 we gave to the Panama Canal in order that transportation might be cheapened between the Atlantic and Pacific Oceans but a subsidy to world transportation? What is the \$1,036,000,000 we have given to the waterways of this country during our national life in order to cheapen and better transportation facilities? What is that but a subsidy? What is the protective tariff, which at least the Republican side of the Chamber stands for, but a subsidy? What is a subsidy but an aid?

The Republicans stand for a protection to our industries through the tariff law, and many a Democrat stands for sufficient aid through the tariff law to equalize the cost of production at home with the cost of production abroad. I do not hesitate to say that I am one of those who stand for measures to bring about an equality in production costs at home and abroad, even if they have to be provided in a bill which is called a protective tariff bill. What are all those matters but aid? Senators object to the pending bill because it is called a "subsidy" measure, but they have given all kinds of aid in the various directions I have indicated. They are afraid, however, to vote for this bill because it is denominated or designated a "subsidy" measure.

Mr. BORAH. Mr. President—

Mr. RANSDELL. I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, the Senator is quite correct in his recounting of the number of subsidies which have been granted. I think they may all be termed subsidies. It is a study of the effect of those subsidies upon American taxpayers that has led me to believe that subsidies are a great evil.

MANY INDORSE THE SHIP BILL.

Mr. RANSDELL. Now, Mr. President, to proceed—and I have already occupied a great deal of time—the Senator from Wisconsin placed in the RECORD a list of organizations which he said were opposed to the pending bill. I wish to have inserted in the RECORD without reading a list of organizations which are just as strongly in favor of the bill. There are two sides to this question. Our great American electorate and citizenry like to take the opposite sides of many questions. There are, in my judgment, a great many more favoring this bill than are opposed to it. In connection with the list which I shall print in the RECORD I particularly call the attention of Senators to the resolution passed in the city of New Orleans on the 18th of last October by the American Legion, the boys of the Army who went overseas to fight. Some of them were anxious to get ships when we did not have any and had to have all our boys carried over to save the world for democracy in ships of foreign nations. I ask unanimous consent to insert the list in the RECORD without reading.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

AMERICAN BUSINESS AND THE SHIPPING BILL.

Representative organizations of American merchants, manufacturers, and other men of business headed by the Chamber of Commerce of the United States have studied the shipping subsidy bill and give their endorsement to the bill or the constructive maritime policies of President Harding. The national chamber, after two referenda of its great membership throughout the country—business men of both political parties—states that it "repeats its recommendation in favor of the aid from the Government which is essential to the maintenance of a privately owned merchant marine. It accordingly asks that Congress expedite consideration of legislation which has in view the accomplishment of these purposes."

The American Bankers' Association at its annual meeting in October declared that "our merchant marine should be developed through individual initiative and not be placed under Government management. We approve the efforts of the President of the United States to bring about such a development."

Business men most familiar with the export trade spoke through the American Manufacturers' Export Association at its October annual meeting, declaring that "we approve the constructive policy of President Harding on the subject of the American merchant marine and pledge ourselves to devote our best energies to securing action along the progressive lines advocated by the President."

Similar action has been taken by many other national organizations of business men and also by the chambers of commerce and boards of trade of all of the larger cities of the United States and of the more important cities and towns in all sections north, south, east, and west. Support has been notably strong in the West and South through the Mississippi Valley Association, the Wisconsin Deep Waterways Commission, and the Iowa Manufacturers' Association, and boards of trade and chambers of commerce of Milwaukee, St. Paul, Omaha, Des Moines, Charleston, Mobile, New Orleans, and Galveston. It is stated that in the entire country not one commercial organization that has considered the shipping bill has failed to approve the bill or the principles embodied in it. A list of commercial bodies that have acted favorably on the shipping legislation follows:

NATIONAL ORGANIZATIONS.

Chamber of Commerce of the United States.
American Manufacturers' Export Association.
American Bankers' Association.
Bankers' Association for Foreign Trade.
National Association of Manufacturers.
Millers' National Federation.
American Farm Bureau Federation.
National Industrial Traffic League.
Mississippi Valley Association.
Middle West Merchant Marine Association.
Investment Bankers' Association of America.
Southwestern Millers' Association.

ALABAMA.

Mobile Chamber of Commerce.
Mobile Clearing House.

CALIFORNIA.

San Francisco Chamber of Commerce.
San Francisco Foreign Trade Club.
California Development Association.
Los Angeles Chamber of Commerce.
Los Angeles Association of Jobbers.
Los Angeles World's Traders.
San Diego Chamber of Commerce.

FLORIDA.

Tampa Board of Trade.
Pensacola Chamber of Commerce.
Fort Lauderdale Chamber of Commerce.
St. Augustine Chamber of Commerce.
Miami Chamber of Commerce.

GEORGIA.

Atlanta Chamber of Commerce.
Savannah Board of Trade.
Columbus Chamber of Commerce.
Macon Chamber of Commerce.

ILLINOIS.

Illinois State Chamber of Commerce.
 Illinois Manufacturers' Association.
 Institute of American Meat Packers, Chicago.
 Chicago Association of Commerce.
 Chicago Board of Trade.
 Chicago World Trade Club.
 Decatur Association of Commerce.
 Cairo (Ill.) Chamber of Commerce.
 East St. Louis (Ill.) Chamber of Commerce.

INDIANA.

Indianapolis Chamber of Commerce.

IOWA.

Iowa State Chamber of Commerce.
 Iowa Manufacturers' Association.
 Des Moines Chamber of Commerce.
 Dubuque Chamber of Commerce.
 Council Bluffs Chamber of Commerce.
 Davenport Chamber of Commerce.
 Sioux City Chamber of Commerce.
 Boone Chamber of Commerce.
 Greater Des Moines Committee.
 Cedar Falls Commercial Club.
 Fort Dodge Commercial Club.

KANSAS.

Kansas Millers' Club.
 Kansas City Chamber of Commerce.
 Topeka Chamber of Commerce.
 Wichita Chamber of Commerce.
 Atchison Chamber of Commerce.
 Junction City Chamber of Commerce.
 Salina Chamber of Commerce.
 Leavenworth Chamber of Commerce.

KENTUCKY.

Louisville Board of Trade.
 Louisville Hardware Club.

LOUISIANA.

New Orleans Association of Commerce.
 New Orleans Board of Trade.

MASSACHUSETTS.

Boston Maritime Association of the Boston Chamber of Commerce.

MICHIGAN.

Detroit Board of Commerce.
 Battle Creek Chamber of Commerce.

MINNESOTA.

Minneapolis Civic and Commerce Association.
 Minnesota Deep-Water-Ways Association.
 St. Paul Association.
 St. Paul Lions' Club.
 Duluth Chamber of Commerce.
 Duluth Commercial Club.
 Hibbing Commercial Club.
 Curtis Falls Commercial Club.
 Virginia Chamber of Commerce.
 Commercial Club of Alexandria.
 Red Wing Chamber of Commerce.

MISSOURI.

St. Louis Chamber of Commerce.
 Manufacturers and Merchants' Association, St. Louis.
 Merchants' Exchange, St. Louis.
 Kansas City Chamber of Commerce.
 Kansas City Board of Trade.
 St. Joseph Chamber of Commerce.

MONTANA.

Butte Chamber of Commerce.

NEBRASKA.

Nebraska Millers' Association.
 Nebraska Manufacturers' Association.
 Nebraska Chamber of Commerce.
 Omaha Chamber of Commerce.
 Rotary Club of Omaha.
 Lincoln Chamber of Commerce.
 Columbus Chamber of Commerce.
 Alliance Chamber of Commerce.
 Falls City Chamber of Commerce.
 Hastings Chamber of Commerce.

NEW YORK.

Chamber of Commerce of the State of New York.
 New York Board of Trade and Transportation.
 The Maritime Association of the Port of New York.
 Merchants' Association of New York.
 American Marine Association.
 Society of Naval Architects and Marine Engineers.
 National Board of Steam Navigation.

NORTH CAROLINA.

Fayetteville Chamber of Commerce.
 Greensboro Chamber of Commerce.
 Charlotte Chamber of Commerce.

NORTH DAKOTA.

Minot Association of Commerce.
 Bismarck Chamber of Commerce.
 Jamestown Chamber of Commerce.
 Grand Forks Commercial Club.

OHIO.

Cleveland Chamber of Commerce.
 Cleveland Chamber of Industry.
 Cincinnati Chamber of Commerce.
 Cincinnati Foreign Trade Association.
 Toledo Chamber of Commerce.
 Columbus Chamber of Commerce.
 Columbus Manufacturers and Jobbers' Association.
 Lakewood Chamber of Commerce.

OREGON.

Portland Chamber of Commerce.

PENNSYLVANIA.

Philadelphia Bourse.
 Philadelphia Board of Trade.
 Philadelphia Chamber of Commerce.
 Maritime Exchange, Philadelphia.
 Commercial Exchange of Philadelphia.
 York Traffic Club.
 York Manufacturers' Association.
 Lancaster Chamber of Commerce.
 Reading Chamber of Commerce.

SOUTH CAROLINA.

Greenville Chamber of Commerce.
 Charleston Chamber of Commerce.

SOUTH DAKOTA.

Huron Chamber of Commerce.
 Huron Commercial Club.
 Aberdeen Commercial Club.
 Watertown Chamber of Commerce.
 Yankton Chamber of Commerce.

TENNESSEE.

Memphis Chamber of Commerce.

TEXAS.

Houston Cotton Exchange and Board of Trade.
 Galveston Commercial Association.
 Fort Worth Chamber of Commerce.

UTAH.

Salt Lake City Chamber of Commerce.
 Salt Lake City Commercial Club.
 Ogden Chamber of Commerce.

VIRGINIA.

Richmond (Va.) Chamber of Commerce.
 Norfolk Chamber of Commerce.
 Norfolk Foreign Trade Club.
 Newport News Chamber of Commerce.
 Hampton Roads Maritime Exchange.
 Hampton Roads Foreign Trade Club.

WASHINGTON.

Seattle Chamber of Commerce.
 Tacoma Chamber of Commerce.
 Olympia Chamber of Commerce.
 Aberdeen Chamber of Commerce.
 Everett Chamber of Commerce.
 Port Angeles Chamber of Commerce.
 Hoquiam Chamber of Commerce.
 Bellingham Chamber of Commerce.

WEST VIRGINIA.

Huntington Chamber of Commerce.

WISCONSIN.

Wisconsin Deep-Water-Ways Association.
 Milwaukee Association of Commerce.
 Superior Civic Association.
 Madison Chamber of Commerce.
 Ashland Chamber of Commerce.
 Fond du Lac Association of Commerce.

ORGANIZED MARINE WORKERS WHO ARE IN FAVOR OF THE PENDING SHIPPING BILL.

Neptune Association of Licensed Masters and Mates, 6,000.
 United Association of Masters, Mates, and Pilots, 3,000.
 United Radio Telegraphers, 2,500.
 Ocean Marine Engineers' Beneficial Association No. 80, 3,500.
 Marine Engineers' Beneficial Association No. 33 (several thousand).
 Fidelity Marine Association (restricted to captains and first mates), several thousand.

National Board of Steam Navigation.
 American Society of Marine Engineers.
 Licensed Tugmen's Association.
 International Longshoremen's Association.
 Resolutions favoring the shipping bill adopted at the American Legion convention, New Orleans, October 16-20, 1922:

To maintain our ratio 5-5-3 it is necessary to have a sufficient merchant marine. The departments of the Navy and merchant marine should be closely connected so that both could be operated in harmony with one another at a moment's notice. In order that a merchant marine may be aided, to economize on our naval expenses, and to train our regular naval personnel on combatant ships, naval auxiliary vessels should, as far as possible, be chartered from well established merchant lines.

We are heartily in favor of the ship subsidy bill as a means to establish our trade routes. If carried out, the ship subsidy bill will automatically increase the available personnel of the Navy, add materially to the efficiency and strength of the Navy, and at the same time be a great aid to all business throughout the United States. Since the earliest days of history the control of the trade routes has been a secret of the growth and greatness of all world power, and this country, because of the paltry sum necessary to carry out the requirements of the ship subsidy bill, must not take the place of a decadent nation.

Whereas it appears that foreigners are in command of American ships in preference to Americans, particularly those operated under the United States Shipping Board: Therefore be it

Resolved by the American Legion in national convention assembled, That we urge that the national legislative committee take necessary steps to petition Congress and the Shipping Board to give preference to American citizens in securing officers and men for all ships operated by the United States Shipping Board; and be it further

Resolved, That the posts of the American Legion located at all shipping points be urged to take an especial interest in the affairs of the American merchant marine and the interests of the American seamen.

Mr. RANDELL. Mr. President, I wish to read a little parable to the Senate. I am not its author; one of my friends prepared it for me, but it seems to me so apropos that I should like Senators to listen to it if I may have their attention:

A certain farmer with his five sons lived on an island where they raised wheat. They owned a boat big enough to carry the wheat to the mainland market. This boat should have cost not more than

\$2,000, but was bought at a time when there were few to be had and it cost them \$10,000. There were many boats now, and its market value had dropped to about \$1,000—

Note the parity with our present situation.

Mr. BORAH. I can imagine who wrote that.

Mr. RANDELL. To continue the parable—

The question arose in the family, What should be done about it? The boat was still in excellent condition, but it would cost \$1,100 a year to operate it, and mainland boats would carry the grain for \$1,000 a year. One of the sons argued that since the other boats would charge \$100 less freight, it was obviously bad business to try to compete. He was for charging off the boat to profit and loss and letting it rot. Another believed the boat could be run as cheaply as mainland boats, but he could not produce any figures to show it—

We have had a great deal of that same sort of talk here—

An agent from the mainland came over and tried various arguments and schemes to induce the family to get rid of the boat, and pretty nearly succeeded—

Senators here have surely read a lot of that kind of stuff from "mainland" representatives in this country, camouflaged, of course, but I "jumped" on them so hard here last July on account of their direct accusations against us that they let up on that part of it, although I am satisfied they have been carrying on their attacks all the same—

But the old farmer after hearing all sides of the question called a family council. He said to the boys, "It is true that we paid a high price for the boat and that it can never yield an interest return on the investment—

No more can our Government shipping expenditures yield an interest return—

"but we do own the craft. So the best thing to do is to write off its cost and start afresh. It is true that it will cost \$1,100 a year to operate it; but, after all, we own everything necessary to keep it going. It is also true that we can get the same service from the mainland for \$1,000. But if we run our boat we can keep that \$1,000 in the family, and as a family we will be out only the \$100 difference on the cost of shipping our wheat. As a matter of fact, the whole \$1,100 will be coming right back to us."

I have just shown you that we have paid out \$28,000,000,000 to these foreigners during the last 100 years for carrying our commerce, insurance charges, brokerage, and other things connected with it.

He went on to say that they nearly went broke one year when they had no boat and there was trouble over on the mainland.

SHIP SHORTAGE OF 1914 RECALLED.

I should like my friend from Tennessee, whose constituents nearly went broke because they could not ship their cotton in 1914—

Mr. McKELLAR rose.

Mr. RANDELL. I am not going to yield now. I will yield to the Senator later as much as he pleases.

Mr. McKELLAR. All right. I want to tell the Senator something about my constituents and their experience with the Shipping Board.

Mr. RANDELL. I am not going to let the Senator break in on my speech. He took several hours here, and I want him to take all he wants in his own time; but this is my time now.

Mr. McKELLAR. Of course, if the Senator will not yield I will not say what I had in mind.

Mr. RANDELL. I was a cotton planter that year, too, and the Senator had a lot of cotton-planter friends, and I know that cotton went down to 5 cents a pound because we did not have any vessels in which to ship it. There was a good deal of demand for it, and if we had just had the ships it would not have gone down that way. That was in the fall of 1914.

There was trouble over on the mainland, and all their shipping was in use carrying soldiers and supplies, and there was none available to run to the island. Another time he wanted a lot of lumber to build a barn. Lumber was cheap on a neighboring island, but having no boat he had to buy it on the mainland at double prices.

The old man's view prevailed. By unanimous vote the family agreed to run their own boat, subsidize it for \$100 a year, and thereby save \$900 to the family coffers.

Now, are we going to take the old man's advice—use our own ships and put the freight charges in the national pocket, or are we going to quit in the middle of the job and let our competitors ship all that freight money out of the country?

Senators, that is a nice little parable. I hope you will read it carefully, and if it has any fallacies about it that you will pick them apart.

Mr. BORAH. I should be glad to know the author of it, and then I would have more respect for it.

Mr. RANDELL. He is a very good man, and he is not connected with the Shipping Board. I see what the Senator is driving at. He has no connection with the Shipping Board. The Shipping Board does not know that there is such a document as that which is in my hand.

Mr. McKELLAR. Will he be one of the beneficiaries of the Board.

Mr. RANDELL. Absolutely not. He is an official of this Government of high rank but not connected with the Shipping subsidy?

NATIONAL DEFENSE THE CRUCIAL POINT.

Now, Senators, I come to the crucial point of this debate, in my judgment. It is not going to be very long. I will not tire you much longer. There is one thing that has not been emphasized much here yet, and that is, What position does our merchant marine occupy in connection with our national defense? Can we maintain a Navy that will enable us to hold our proper place among the naval powers of the world unless we build up and maintain a strong merchant marine? I say "no," and I am going to give you my reasons for it in as clear language as I can.

Situated geographically as we are our national defense rests upon our sea power. The only means of applying our power to influence the action of those who might seek to do us injury is by way of the sea. Bear in mind, Senators, that with the exception of Canada and its few millions to the north, and Mexico with its few millions to the south, all of our intercourse with mankind is by way of the sea. We must carry on our great commerce with the world in ocean-going vessels, except to a limited degree with Canada and Mexico. The only means of insuring our prosperity is through our ability to sell to the rest of the world the surplus products that we can not ourselves consume, and this we can not do except by way of the sea.

We have to-day a foreign trade that has increased by leaps and bounds in the last 10 years. Our foreign trade in 1914 was about \$4,000,000,000. In 1920 it was \$13,000,000,000, with exports of over \$7,000,000,000. We American people are engaged in a foreign trade that is the greatest business in the history of the world, and history shows that such a trade can not long endure without adequate means to maintain and protect it.

War itself is but an ultimate form of economic competition, and for all great wars of the past it is not difficult to trace a basic cause in the friction and bitterness engendered by economic conditions that involve the question of trade. This was preeminently true in regard to the late World War.

A great power, to be truly independent and free from commercial subservency, needs a great merchant marine to carry its commerce. During peace, with the commercial organization and standards of life as they exist in our country, we must to-day have foreign trade. In order that we may not pay toll to foreign shipping and have our foreign trade at the mercy of competitors, we must have a fair share of our foreign commerce carried by our own merchant marine.

When war comes, and the entire military strength of the Nation is to be exerted, the Navy must draw vessels from the merchant marine for Navy use—cruisers, transports, supply ships of all kinds, and so forth. In addition, the merchant marine must continue the transportation of articles of commerce essential to the welfare of the people as a whole. When we organize for war the Navy and the merchant marine become practically one service administratively. During the World War 95 per cent of our merchant shipping was under Government control, particularly as to cargoes and routes.

As an addition to naval strength, the personnel of the merchant marine—a body of men with the sea habit—is a naval asset, whether in war it be employed on regular naval vessels, or merchant vessels converted to naval use, or whether it remains on merchant shipping for naval or merchant service. When we entered the World War practically our entire fleet had to devote itself to the training of raw recruits in the most elementary duties of the seamen, because we had no merchant reserve to call upon.

All great maritime nations have made provision in some way for taking merchant shipping into the naval service in time of war. This has taken the form of subsidies or subventions, direct or indirect, discriminating rates to further the growth of the merchant marine, and so forth. At least the merchant ships can be listed and classified and plans made for their transfer to the Navy. In 1898 we armed the few large passenger lines we had for distant scouting and general cruiser service. They did what they could, but due to lack of numbers Cervera's fleet cruised at liberty in the West Indies, and was discovered only after it had been in Santiago for some time. Other passenger and freight vessels were converted for blockade and patrol duty. Yachts, and even tugs, were armed and used for blockade and general duties devolving on small craft in war. In addition, there were hospital ships, transports, repair ships, and the entire service of supply—this with a war at our very doorstep, and against a power that was even worse off than we were.

VALUE OF MERCHANT CRUISERS IN WAR.

In the employment of converted merchant ships as cruisers many conditions may arise. Our Navy may be employed in protecting trade routes used by our merchant marine. It may be engaged in raiding the sea lanes used by the enemy, or denying him the use of them. Its operations may or may not lead to fleet actions. Our merchant marine may be carrying on

foreign trade, or it may be shut up in port. In any case, the Navy will be short of regular cruisers, and the converted merchantmen must fill the deficiency. As the regular Navy is reduced, the importance of the converted merchantmen increases. A large merchantman, converted to a fighting ship, may carry a battery formidable for a cruiser and have a great fuel endurance, and if there are no regular cruisers available for operations in a particular theater the converted merchantman becomes of prime importance there.

It would be impossible by agreement to prohibit or limit the use of merchant ships as converted vessels of war. Even without previous preparation, a vessel can be converted simply and quickly in about two weeks at a navy yard. The main items of purely military character needed are the guns, mounts, and ammunition, and these are generally in store.

Should navies become small by agreement, and remain so, nations that have funds available will seek to increase their naval strength by adaptation of their merchant shipping to purposes of war. Subventions are given to induce shipping companies to build with reference to war use, and at the same time to foster the growth of the merchant marine, as was done in the case of the Cunard line.

When our old cruisers are scrapped for age we will have only 10 cruisers of the *Omaha* class. It needs no argument to show that even with such assistance as can be given by destroyers, submarines, and a few aircraft carriers this number will not suffice in war. To supplement the deficiency it will be necessary to convert merchant vessels into auxiliary cruisers for the supply of the fleet, which will by so much reduce the merchant marine for commercial purposes.

Should all regular navies disappear, the large, fast, armed merchantman would be the most powerful fighting ship, and therefore the capital ship.

Secretary Denby said:

If we sank every ship of war in the world at this moment, Great Britain would rule the world beyond a question of doubt. Therefore, from a military standpoint, it seems to me that the creation of an American merchant marine is a vital necessity to our country.

Let me beg, Senators, that you pay close attention to those wise words of our Secretary of the Navy, that from the military standpoint alone a powerful merchant marine is essential to the safety of our country.

BRITAIN'S POWER FOUR TIMES OURS.

The following table brings the situation sharply in relief. The number and speeds of passenger vessels able to make 15 or more knots belonging to the United States, Great Britain, and Japan are tabulated below. I will not read all of them, but just a few of them. I find that the *Mauretania*, with a speed of 27 knots, belongs to Great Britain. We have no such vessel. The *Majestic*, with a speed of 26 knots, belongs to Great Britain. We have no such vessel. The *Leviathan*, with a speed of 25 knots, belongs to us. Great Britain has no counterpart of the *Leviathan*, but two vessels, the *Mauretania* and the *Majestic*, with a speed of 26 to 27 knots, respectively. The *Aquitania* belongs to Great Britain. She has a speed of 24 knots. The *Berengaria* and the *Olympic* belong to Great Britain, each of them with a speed of 23 knots. As an offset, we have one, the *H. F. Alexander*, with a speed of 23 knots; and so on down the list. I ask to have the balance of the table inserted, without reading.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Speed.	Great Britain.		United States.		Japan.
	Num-ber.	Name.	Num-ber.	Name.	
27 knots.....	1	<i>Mauretania</i>			Num-ber.
26 knots.....	1	<i>Majestic</i>			
25 knots.....			1	<i>Leviathan</i>	
24 knots.....	1	<i>Aquitania</i>			
23 knots.....	2	<i>Berengaria</i> and <i>Olympic</i>	1	<i>H. F. Alexander</i>	
22 knots.....			2	<i>Mount Vernon</i> and <i>Agamemnon</i>	
21 knots.....	2	<i>Empress Asia</i> and <i>Empress Russia</i>			
20 knots.....	1	<i>Empress France</i>			
19 knots.....	1	<i>Royal George</i>	1	<i>George Washington</i>	
18 knots.....	22		2	<i>Resolute</i> and <i>Reliance</i> (Panama flag).....	
17 knots.....	40		19		
16 knots.....	47		9		
15 knots.....	76		15		
Total.....	194		50		

Mr. RANDELL. From this it will be noted that Great Britain possesses 194 steel merchant steamers of seagoing characteristics able to make 15 knots or more, the United States 50 vessels, and Japan 23. Each of that 194 is a potential auxiliary naval cruiser in time of war, and Great Britain has four times as many, practically, as we have. Consequently, in case of war, she would be substantially four times as strong as the United States.

Vessels over 25 years of age have been excluded, for whereas, if not nearly useless, they soon will be. It will readily be seen that Great Britain possesses four times as many fast passenger vessels as the United States. These can readily and quickly be converted into troop transports, scouts, commerce destroyers, and airplane carriers, for which in time of war every big nation would have immediate need. The possession of such ships enables a nation to keep its fighting forces at sea intact and not be compelled to detach units for other than fighting purposes. The possession of a big, fast seagoing merchant marine would enable this country greatly to hamper the foreign and seagoing commerce of an enemy and maintain an economic blockade in an efficient manner. The ability of Great Britain during the past war to accomplish this played a large part in the eventual strangulation of lines of supply into Germany. The comparative impotence of the United States would greatly hamper, if not indefinitely delay, the carrying out of the important naval strategy of any war in which we might be engaged.

Aside from the many auxiliary needs of the fleet, such as colliers, tankers, munition ships, repair ships, hospital ships, tenders, refrigerator ships, distilling ships, and so forth, any big nation at war in the future will find an urgent and enormous need for the transportation of scouting and fighting planes, possibly in vast numbers. Coast-defense planes will play hereafter as little part in modern war as coast-defense guns did during the last conflict. A nation in arms will have need for fast airplane carriers capable of great speeds and radius of action, carrying in their holds great numbers of airplanes for scouting, bombing, and fighting purposes. Certain ships of the passenger type will be peculiarly suited and readily convertible for these purposes. A nation in possession of such possible aircraft carriers will be able to take the offensive at sea without difficulty, and because of its far-flung battle line of air scouts be enabled to make its strategic and tactical dispositions to its own advantage, denying at the same time to the enemy information of the disposition, location, and size of the opposing fleets.

OUR SHIPS LACK THE SPEED.

With the exception of tankers and cargo carriers but few of our merchant vessels possess the requisites necessary to fit them for auxiliary service. Most of them lack speed sufficient for scouts or airplane carriers, while many of these same ships have insufficient radius of action for any duty they would probably be called upon to perform. It is not likely that this country will ever be at war with a power on this continent. Without bases in the area of probable operations great radius of action will be a *sine qua non* for our auxiliaries.

Neutral shipping may not be available to us for the transportation of the rubber, nitrates, manganese, and tin we are forced to import. Even if available the shipping will only be so at war-time prices. Bottoms enough we now possess, but they are inactive, and those not now considered worthless will soon be so through lack of use and care.

Personnel to man a great merchant fleet will come with the arrival of the ships themselves. In time of national peril we must have them, for the first operations are inevitably those at sea. During the last war the Navy of this country manned hundreds of ships, which should have been manned by sailormen taken or recruited from the merchant marine or a reserve. Without the possession of either class this country was suddenly forced to denude its fighting craft of men long trained to fight and place many of them upon vessels not destined to be combatant. Hundreds of thousands of green men were trained ashore and afloat, seriously handicapping the war vessels and rendering many of them incapable of taking part in a successful action. What our suddenly expanded Navy would have done without the buttress of the English Grand Fleet while we were using our seamen for the personnel of transports, cargo carriers, tankers, and other noncombatant ships can only be conjectured. Great Britain, on the other hand, with a large population long accustomed to the sea, either as merchantmen sailors or as fishermen, soon fell back upon a trained reserve. This is another cogent reason for a merchant marine.

When President Roosevelt in 1907 sent the United States Atlantic Fleet around the world, this fleet consisting only of 16 battleships, 6 destroyers—that went only as far as the Pa-

cific coast—and 3 auxiliary vessels, there were at that time only 5 United States colliers with which to fuel the fleet. To make this voyage possible we were dependent on the services of 50 colliers under foreign flag that supplied a total of 320,390 tons of coal, whereas our own colliers supplied over 26,418 tons. This was in a time of profound peace, when the fleet received a friendly welcome in every port and was able to purchase its food and supplies in every market. The impossibility of performing such a feat in time of war was apparent to none more than to President Roosevelt, who repeatedly called the attention of Congress to the military necessity of a merchant marine in support of the Navy.

It is estimated that in time of war to maintain our fleet in Philippine waters would require a minimum of 200 colliers and tankers for fuel alone. This leaves out of consideration vessels required for cargo ships, ammunition ships, repair ships, hospital ships, distilling ships, and so forth, that would be required to maintain the fleet itself, without directly supplementing its fighting strength, and which we should rely on obtaining only from our own merchant marine.

When we entered the World War in April, 1917, after that war had been in progress for nearly three years, we were confronted with the problem of transporting an army to Europe. Although there were ultimately transported 2,079,880 troops across the Atlantic, 1,027,300 of them were carried in foreign ships, principally British. By using our own battleships and pre-war transports we were able to transport only 76,812. Thanks to our use of the ex-German vessels, which, fortuitously, had sought refuge in our ports in 1914, there were transported 566,921. Ultimately, by the seizure of the Dutch vessels, which were also lying in our ports, we carried an additional 36,949. Privately owned American vessels transported 237,371, and the Shipping Board was able to transport 34,728, making a total of 925,781 eventually carried across by these various agencies that we were operating. Were it not for these peculiar circumstances, which we can not reasonably hope would ever be repeated, there would have been probably transported not more than 300,000 men, which would have been too few to have effected military results. We may well shudder to think what the neglect of our merchant marine might have meant to us and to the world.

When war breaks out every navy must turn at once to its merchant marine to supplement the fighting strength of its fleet. Large numbers of vessels are required at once as mine layers, mine sweepers, submarine tenders, destroyer tenders, patrol vessels, subchasers, and the like. In addition, as we have seen, an enormous transport service would be required if the operations were to be conducted overseas.

At the opening of the war there were in the Navy 344 vessels of all classes, with 75,074 men. When the war ended there were 2,202 vessels, with a total of 500,000 men. Eighteen months were required to assemble a force that should have been immediately available. Due to antisubmarine operations, the numbers of vessels in the British fleet was probably over double this number.

CRUISERS MOST SERIOUS MATTER.

But the situation of the United States as affects the national defense is most serious, when we consider the question of cruisers. Of modern cruisers capable of making 27 knots or better the United States has none, Great Britain has 44, and Japan has 10. Of those building or projected, the United States has 10, Great Britain 4, and Japan 15.

When we consider that Great Britain has, in addition, 194 modern passenger vessels capable of making 15 knots or better, all of which are capable of transformation into cruisers, while the United States has only 50, we at once see how fallacious is our estimate of equality of naval strength with Great Britain. If we consider the great passenger vessels of 18 knots or above, which would be capable of overtaking and destroying 99 per cent of the merchant ships afloat, we see that Great Britain has 31, where we have but 7. In addition, the naval bases which Great Britain has established all over the world, providing fuel and repair facilities, gives her great merchant fleet a mobility that none of our ships could enjoy.

The object of a navy in time of war is to gain control of the sea in order that one's transportation may proceed uninterrupted while that of the enemy is immobilized. To obtain this control it is necessary to fight for it and destroy the enemy's offensive power. But once command of the sea is achieved, it is necessary to have a very large force of cruisers in order to exercise that control. There is no military object to be gained in the destruction of the enemy's fleet if we are not prepared to reap the fruits of the victory by driving his merchant fleet from the ocean. It is not probable that we will ever have cruisers enough to accomplish this end, so our only recourse is

to have at hand sufficient fast merchant ships on which to draw in time of war to supplement our cruiser force so that the sea may be made safe for our trade. What other guaranty have we that our vast foreign trade in which we are engaged—the greatest in the history of the world—shall not collapse in time of war. For if we are not able to drive the enemy's cruisers off the sea the billions of exports and imports, which are the lifeblood of the Nation, will be lost by us to the enemy.

The ship subsidy bill is a plant of national defense insurance. It hurts no interests that are our interests. What we pay to foreigners for carrying our freight is nothing more or less than a subsidy to the foreigner. Why pay him and deny our own people? The powerful interests that are seeking to dissuade the United States from maintaining a merchant marine are playing their own game. They are not seeking our welfare but their own. In time of war they would be found ranged alongside our enemies. At a stupendous cost this merchant marine was constructed. If it is not maintained, another fleet, at extravagant cost, must be constructed sooner or later. But the advantage of maintaining the fleet that we have and not waiting for war to build another is that, while adding to our national prosperity, we are providing a national insurance against future disaster and possible defeat.

Mr. President and Senators, I thank you for your patient attention to me.

Mr. JONES of Washington. Mr. President, bearing upon the proposition suggested by the Senator from Ohio [Mr. POMERENE], I want to call attention to page 124, volume 1, of the hearings where is set forth the report of a survey of the Shipping Board's people with reference to the differential in wage and subsistence cost between American and foreign vessels. Then there will be found the tables on page 167 to which I cited the Senator from Ohio a moment ago.

On page 458 of the hearings will be found a statement of wages in national currency. This shows the wages on Shipping Board vessels, wages on privately owned vessels, and wages on British, Japanese, French, Spanish, Italian, and German ships.

Then on page 161 of the CONGRESSIONAL RECORD of November 24 of the last session will be found several statements with reference to various ships, showing the wages paid on American and British ships, and so on.

I understand that these tables were prepared by the Shipping Board people and they are brought right up to date, and that they are taken from the actual pay rolls of the vessels coming into our ports at the close of their voyages. I think they will furnish just as definite information to the Senator from Ohio and to the Senate with reference to wages paid crews on ships as can be found.

I want to call attention to the fact that it will be found from the tables referred to that not all the difference, but the great difference, in the pay of the crews of British ships and American ships comes from the difference in pay of the licensed officers of the ships. For instance, from the table it is found that the licensed officers of an American ship are paid \$1,390 a month in the aggregate, and the licensed officers of a British ship are paid \$746.70 a month in the aggregate. There is a difference against the American ship of \$643.30 a month, or for the year a difference against the American ship in operation of \$7,719.60.

Mr. McKELLAR. In reply to the statement just made by the Senator from Washington it seems that the principal difference in the cost of labor is in the cost of the labor of the officers of the ships. That could be obviated by the Congress itself if it so desired without interfering with the general labor at all.

Mr. JONES of Washington. Does the Senator mean that Congress should reduce the pay of officers on American ships?

Mr. McKELLAR. I think so. It seems to me that \$16,680 a year is a pretty good salary for an officer on a ship. It is more than twice as much as a Senator gets and more than the Chief Justice of the Supreme Court of the United States gets. These salaries of the licensed officers should not be included in estimating cost of labor on our ships. I take it that the \$35,000-a-year chief of operations felt he must be liberal in fixing the salaries of the licensed officers. All of which goes to show how easy it is to be liberal with the taxpayers' money. No wonder the present Shipping Board is confessing that it can do nothing but lose money on our shipping operations.

Mr. BORAH. Mr. President, the motion which is now before the Senate, as I understand, is the motion of the Senator from Nebraska [Mr. NORRIS] to displace the ship subsidy bill by the bill which he has introduced with reference to agricultural legislation. I want to address myself briefly to the motion, but before I do so I am going to digress for a moment to consider

the last argument presented by the able Senator from Louisiana [Mr. RANSDELL] that the ship subsidy proposition is, in fact, another phase of preparedness and that the necessity for greater preparedness is an unanswerable argument for the building up of a merchant marine at the expense of the American taxpayer. It would seem that the strongest argument they have to present is that we prepare at once and hastily for war.

If that be true and if that is the strongest argument in favor of it, then the ship subsidy ought to be able to wait until we can deal with another interest in this country which can not very well wait. I observe in the President's message delivered to the Congress a few days since this paragraph, which ought to dispel the increasing alarm of the Senator from Louisiana:

I bring you no apprehension of war. The world is abhorrent of it, and our own relations are not only free from every threatening cloud but we have contributed our larger influence toward making armed conflict less likely.

Now imagine, Mr. President, the dire distress of the advocates of subsidies, arguing it on the basis of preparedness, in the face of that message from the Chief Executive and the Commander in Chief of the Army and Navy of the United States. "No cloud in the sky; no threat anywhere." In fact, while it was assuring, it was not necessary for the President to tell us that. He only repeated what is apparent to all who observe the present situation. And yet the closing appeal of those arguing for the ship subsidy is that we must prepare for war.

I read another sentence from the message of the Chief Executive:

The four-power pact, which abolishes every probability of war on the Pacific, has brought new confidence in a maintained peace, and I can well believe it might be made a model for like assurances wherever in the world any common interests are concerned.

The four-power pact was a pact offered by the President and his advisers to insure peace on the Pacific. Although it has not yet been ratified, we are told that its influence has been such that peace has preceded the ratification of the treaty and that the Pacific, from whence it was supposed some threatenings of difficulty were to be heard, is now in a peaceful status. Everything is peaceful, the war clouds have been chased out of the sky, and still millions more must be hurriedly put upon the taxpayer to make ready for war.

Where is the necessity, Mr. President, for going further into the Treasury of the United States upon the question of preparedness? Is there danger from Germany, which is slithering down day by day to deeper ruin and misery? Is there danger from Russia? Is there danger from England, from France, from Japan? From what source comes the menace that there should be heard here in the Senate Chamber day after day and from the rostrum throughout the country week after week this cry of preparedness? Tax the American people a little more. Lay on an additional burden. War is imminent. It occurs to me, Mr. President, that it has reached a point of sublime absurdity. If the gentlemen who are arguing it do not think so they had better present it again in the coming campaign to the American voter, who is already overburdened with unbearable taxes.

Let me call your attention to the fact that this year, according to the Budget presented, we are to spend about \$300,000,000 on the Navy. Is it necessary to go beyond that, in view of the fact, as the President tells us, that there is no threatening cloud anywhere? In 1914 we expended less than \$170,000,000 upon the Navy. Now, four years after the World War, at a time when the whole world is in distress and overburdened with taxes, when the real disturbance is not that of war between nations but war between peoples and governments on account of oppression from fearful burdens of debt, we are expending \$300,000,000 upon the Navy. We are told, in addition to that, that the just argument for a departure from our national policy in granting subsidies to ships is to increase our preparedness. While we are expending \$300,000,000 this year for the Navy we are expending \$24,876,000 for agriculture.

How long, Mr. President, can we continue that kind of program? I advise my friends, in all seriousness, that if this subsidy proposition can not be sustained upon the theory that it is to aid American business, American agriculture, to aid in the restoration of those activities which are absolutely essential to the economic life of the Nation, it had better be abandoned. We shall expend this year, Mr. President, for war purposes, \$2,650,000,000; for agriculture, \$24,876,000; for the public health, \$15,877,000; for promotion of education, \$10,151,000; for labor interests, \$4,718,000; to study the causes of and the remedy for war, not one cent.

However, it was not my purpose, Mr. President, to do other than to refer briefly to the real merits and demerits of the measure to-day. Later, if the bill remains before the Senate, I shall discuss the merits.

I have stated a motion has been made to displace the pending bill and to take up another kind of legislation, designed to aid in some way the agricultural interests of the country.

The pending measure was withheld from consideration prior to the election. It was so withheld, as we all understood and as we all know, for the reason that it was thought unsafe and politically inexpedient to force it to a vote prior to the election. It seemed to be a matter of reluctance upon the part of the other body to vote upon the measure and to go home at once to see their constituents with reference to returning. Therefore, while the other House had ample time in which to consider the measure—much more time at their disposal than they gave to it when they did come to consider it—they passed it by until after the election. Now it is proposed, between the time when the election took place and the time in which the new Congress comes into power, to pass this measure; a thing which, to my mind, is not only unjust and unfair but, if one may consider it from the other standpoint, politically most inexpedient.

If this measure can rest upon its merits, can stand the test of debate, if it is in accordance with the wisdom and the wishes of the American people, there will be ample time to pass it after the Congress has come into power which was elected after the ship subsidy question was made an issue in this country. I am aware, of course, that Congress has technically the right to legislate just the same between now and the 4th of March that it had previously, and upon all ordinary legislation and routine matters, of course, it would make no difference; but here is a measure which has to do with establishing, in a sense, a new policy in this country, a measure upon which there is a wide difference of opinion and one upon which the voters of the country feel deeply. Such a measure should await the new Congress. A great national policy should not be forced in a way that savors of bad faith with the people who have to pay the heavy taxes to maintain the policy. Aside, therefore, from the technical right to enact the measure, if we have the votes to do so, it is certainly inexpedient to force a change of policy in the country between the time the election is held and the new Congress is coming into power.

Mr. President, that is not the most serious feature of it. It is not only proposed to enact this legislation by a dying Congress, but it is proposed, in so far as it is in the power of those favoring the measure to do so, to take out of the hands of the new Congress or of any other Congresses the power to control the execution of the bill when it becomes a law. It is proposed to take from Congress the power to control by appropriations the money necessary to execute the law. Every method and means possible for a bill to carry has been written into the pending measure to make it impossible or embarrassing for the future Congress in any sense to control its execution. It is not, therefore, alone the proposition of enacting such a measure, but the terms of the bill are such as to make it obnoxious, for the reason that it is an attempt to control the action of future Congresses. I now read a statement from the report of the committee, which is found upon pages 2 and 3, and which is as follows:

The provision in the House requiring specific appropriations from the merchant-marine fund to be made annually by Congress has been stricken from the bill. This is vital to its success. One main object of the bill is to bring about the purchase by private parties of the ships owned by the Government. This will require capital, which must be secured from banks and those who are willing to invest in shipping securities. This can not be borrowed by proposed purchasers and operators of the ships if there is the least uncertainty of the payment of the compensation provided in the bill. By reason of the changing of the political complexion of Congress and because of the bitter opposition to aid of this kind to shipping, no man would loan his money upon security of this kind, and thus one of the great purposes of the bill would be defeated.

In other words, Mr. President, recognizing the opposition in this country to the bill, recognizing the opposition to the policy which it involves, and recognizing the possible change of political complexion, both without our party and within our party, after it comes into power on the 4th of March, it is stated that the right to control the appropriations incident to the bill is absolutely vital to its success; that, if possible, the power must be taken away from future Congresses. This is the most interesting confession I have ever seen recorded in the solemn archives of this body, "change in political complexion;" in other words, the people must not be permitted to change this sacred law, it must be put beyond the reach of the taxpayer. He is to be yoked to his task and only the merciful considera-

tion of those who are to receive the subsidy shall remove the yoke. A dying Congress is to fasten on the burden and the new Congress is not to be allowed to lift the burden.

I submit to my Republican friends upon this side of the Chamber, we have trifled with our 7,000,000 majority about as long as we ought to. In the short space of two years we have about dissipated a majority of 7,000,000. My friends, it takes two things to make a party: First, you may have your organization; but, secondly, it is absolutely necessary to have votes; and the program which it is now proposed to carry out, an attempt to put over a measure which it is conceded the next Congress in all probability will not enact, is about as inexpedient politically, aside from its injustice and its unwisdom, as anything I can well imagine.

It is not for me to advise those who have in hand the running of the party of which I am an humble member, but there are some things, Mr. President, so utterly plain that a way-faring man, though a fool, may see; and one of those things is that the passage of this measure between now and the 4th day of March will not settle the question at all and will arouse the already pronounced opposition to greater opposition. If the new Congress, which has been elected upon this issue, should pass its judgment upon this matter, the American people, recognizing the right of a majority to legislate, would in all probability accede to that judgment; but a dying Congress, a Congress elected upon another issue, undertaking to tie the hands of the incoming Congress, will not settle this question at all.

Mr. WILLIAMS. Mr. President—

Mr. BORAH. I will yield in a moment. I venture to say that if there shall be an extra session after the 4th of March, at that extra session, should this bill pass, there will be a bill to repeal it introduced before the extra session is 24 hours old.

Mr. WILLIAMS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Mississippi?

Mr. BORAH. I yield.

Mr. WILLIAMS. Of course, the Senator is in the highest degree possessed of intellectual integrity. I know that; I have known it for years and I am glad to know it; but is not the Senator unconsciously making a little misstatement there?

Mr. BORAH. Perhaps so.

Mr. WILLIAMS. It is not the same thing, because if this bill is passed now under this accidental majority and the next Congress should by a majority repeal it, as it undoubtedly would, it would require a two-thirds majority to overcome the President's veto, and the President is committed to the measure.

Mr. BORAH. The Senator carried my argument a little further than I carried it.

Mr. WILLIAMS. I carried it to the constitutional limit.

Mr. BORAH. Yes; but what I said was that the passage of the bill at this time would not settle the question, for, whether we have votes enough to pass it or not, it would be a live issue here and a matter of agitation.

Mr. WILLIAMS. It would be a live issue and a matter of agitation, but it would not be a live issue as a matter of legislation, for it would remain upon the statute books, because, although a majority might want to repeal it, they could not muster a two-thirds majority to overcome the President's veto.

Mr. BORAH. Of course the Senator is correct in his construction of the matter if he carries it to that extent, and as a matter of logic it must necessarily go to that extent. I concede that proposition.

But, Mr. President, another equally serious proposition in regard to this legislation at this time is this:

We have only until the 4th of March to pass the appropriation bills and to legislate on other subjects during the time when we are not actually considering appropriation bills. It is very clear that if this bill stays upon the calendar we are not going to have any time to consider as they ought to be considered other measures. We may pass through some hurried legislation with reference to farm credits or the agricultural interests, or with reference to transportation; but no one knows better than those who are dealing with those subjects that if we should give all the time between now and the 4th of March to those two subjects, which are absolutely essential to the economic life of this country during the next few years, we would not have sufficient time to deal with them effectually or properly.

There is no more intricate or difficult question with which to deal than that of rehabilitating the agricultural interests of this country. There is no more vexed or involved problem than that of providing sufficient and efficient transportation for this country; and yet while those two matters wait, pushed aside,

we are hastening to pass a subsidy bill which will not in the least, in my opinion, as I shall undertake to show later, assist those whom a proper transportation system or a proper agricultural system would assist.

When are we going to legislate upon those two subjects? The President has told us that he does not want an extra session. Is it seriously proposed to take up practically all the time between now and the 4th of March to pass appropriation bills and a ship subsidy bill, and to let Congress stand adjourned until the 3d of next December and leave the farmers of this country in the situation in which they are now found? Why, my good friends, if you do that you will not have enough votes at the next election to count. Ship subsidy, whatever its merits or demerits may be, can wait. It will be just as beneficial to the people six months from now as it is now; and, notwithstanding the argument, not a dollar will be saved in the meantime with reference to the running of the ships by reason of its passage. The farmer, however, can not wait. The cropping time is coming. He must have his security, he must have his aid, he must have his outlook for better transportation, or the decrease in acreage in this country during the next year will be startling to the American people. Therefore, whatever the merits of this bill may be, it should be put aside until we can deal with those things which are immediate, imminent, and menacing if measures to deal with them are not perfected.

What is it that the American farmer just now needs? First of all, he needs to get to the seashore, to the ports, or to the markets. It is transportation by land which is now bothering the American farmer more than anything else.

I have here, I think, if I can put my hand upon it, a statement of something of the condition which confronts the farmers of the far West with reference to freight rates. There is no need of building ships under the present condition of affairs if it is impossible under the land transportation condition to reach the ships. In order to keep from freezing to death we are charged \$202.50 for every 50-ton car of lump coal brought to us from Utah; that is, to Idaho from the near-by State of Utah. Seven hundred dollars is demanded for every car of binding twine shipped to us; \$704 is demanded for every 40-ton car of wheat which leaves the station headed for Galveston—the seashore. Those are the conditions; and that, of course, is simply an indication of what the conditions are with which we ought to deal, if we can, and deal immediately.

The able Senator occupying the chair [Mr. CUMMINS in the chair] has given a vast amount of time to this subject of freight rates and railroad legislation; and no immediate, quick remedy seems to be in sight. It will take some time to deal with it; but we have bills pending relieving another situation with reference to the agricultural interest which ought to be taken up and considered.

The second thing which the farmer needs above all things is a market. After he reaches the seashore and after he has found his market there is an abundance of ships to carry it from the seashore to the markets. But where are the markets? There are now 22,000,000 gross tons of shipping lying idle, waiting to carry the products of the American farm or the products of the American producer to the markets if the markets can be found. It is not a want of transportation across the water; it is not a want of water carriage; it is inability to reach the seashore on account of freight rates and inability to find a market which is now distressing the country from one end of it to the other.

So, Mr. President, it occurs to me that it is only the part of expediency, the part of justice and of wisdom, to put aside this measure now, and take up the bill which is proposed by the Senator from Nebraska [Mr. NORRIS.] If it is not satisfactory, it can be made so by discussion and debate or by substitution; but we ought to address ourselves to the question of legislating upon those subjects of farm credits and railroad transportation rather than to deal exclusively with a matter which ought not to come up at this session at all, and which, if it is to come up at any time, can just as well come up after the new Congress comes into power.

Mr. President, I said that the thing which the American farmer desires now to find is a market. It is not carrying capacity upon the water that is wanted. The trouble is not the inability to find shipping; it is the inability to find a market abroad and the inability to reach the farmer's own home market by reason of freight transportation. There is no reason which occurs to me why this measure should be pushed in ahead of this other legislation. Of course I would not be misunderstood for a moment as being in favor at any time of a ship subsidy; but, if I were in favor of it, it seems to me that I would be willing to let it go to a test before a Congress which was elected after the issue was raised and after we had

disposed of legislation which is far more imminent and far more necessary at the present juncture of affairs.

The farmer will soon be planting his crops, if he is going to plant at all. With his crops now rotting in the ground from last year's planting, with his potatoes rotting, with inability to find markets, with no assurance as to credit to carry him over, with no assurance as to transportation, what do you think the effect would be upon the farming interests of this country if we should adjourn upon the 4th of March without doing anything except imposing some additional taxes?

Later, Mr. President, I shall discuss the merits of the bill, if necessary; but this is all I desire to say at this time. I feel most sincerely that we ought to give all the time at our disposal from now until March 4 to relieving the agricultural conditions and to the vital problem of transportation. These matters are pressing. If relief is not had and speedily the loss, the widespread injury, will be almost incalculable. We have promised to deal with these matters and let us speedily and in good faith keep our pledge.

Mr. JONES of Washington. Mr. President, I ask unanimous consent that when the Senate closes its business for the day it recess until 12 o'clock to-morrow. I suggest the hour of 12 o'clock because of the meeting of the Committee on Banking and Currency.

The PRESIDENT pro tempore. The Senator from Washington asks unanimous consent that when the Senate closes its session to-day it take a recess until 12 o'clock to-morrow. Is there objection? The Chair hears none, and it is so ordered. The question is upon the motion of the Senator from Nebraska.

Mr. NORRIS. Mr. President, the junior Senator from Iowa [Mr. BROOKHART] desires to address the Senate. Just a few minutes ago he went out after some documents and papers; and I think, in order to give him notice, I will suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	France	Lenroot	Robinson
Ball	Frelinghuysen	Lodge	Sheppard
Bayard	George	McKellar	Shortridge
Borah	Glass	McKinley	Simmons
Brookhart	Gooding	McLean	Smith
Broussard	Hale	McNary	Smoot
Calder	Harrell	Moses	Spencer
Cameron	Harris	Nelson	Stanley
Capper	Harrison	Nicholson	Sterling
Caraway	Heflin	Norris	Sutherland
Colt	Johnson	Overman	Swanson
Couzens	Jones, N. Mex.	Page	Townsend
Cummins	Jones, Wash.	Pepper	Trammell
Curtis	Kendrick	Phipps	Wadsworth
Dial	Keyes	Poinexter	Warren
Dillingham	King	Pomerene	Weller
Ernst	Ladd	Ransdell	Williams
Fletcher	La Follette	Reed, Mo.	

The PRESIDENT pro tempore. Seventy-one Senators having answered to their names, a quorum is present.

Mr. BROOKHART obtained the floor.

Mr. FLETCHER. Mr. President, the Senator from Iowa has just hurried in, and he will excuse me a moment while I make one or two statements with reference to this motion, while he is arranging his data before proceeding.

I hope the motion made by the Senator from Nebraska will prevail. In saying that I do not mean to say that I am in favor of the bill reported by the Senator from Nebraska just as it is. I do not understand that the Senator from Nebraska insists that that bill shall pass without the change of a word or a sentence in it. I do believe that if an amendment can be offered to the bill which would better it in any respect the Senator from Nebraska would welcome such an amendment. I am in favor of taking the bill up because it brings the whole subject of agricultural finance before the Senate, and that is a subject of vital importance to-day.

When that bill is laid before the Senate, as I hope it will be, then it will be open to such modification and changes and to such discussion as will result, I believe, in legislation which will relieve the distressing conditions which prevail with reference to agriculture all over the country, and which is fairly well set forth in the report of the Secretary of Agriculture which has recently been submitted.

I therefore hope the motion will prevail, in order that this whole subject may come before the Senate now, and may be fully discussed and considered, with the prospect that legislation beneficial in character, and meeting the needs of the farmers of the country, will result before this session closes.

I wanted to say that, in explaining that while I shall vote for the motion to take up the bill as reported by the Senator from Nebraska, it does not follow that I shall support all the

provisions of that bill, or shall not support amendments or modifications which may be suggested, which I believe the Senator himself would welcome.

Mr. WILLIAMS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Mississippi?

Mr. BROOKHART. Certainly.

Mr. WILLIAMS. I will ask the Senator to permit an interruption for about three or four minutes. As the Senator from Florida [Mr. FLETCHER] just explained his position, I want to explain mine; not that I think the country cares a particle about my position. On the 4th of March I am going out, and I rather thank God that I am.

Mr. President, I did not think it was within the power of human ingenuity to originate any sort of a bill to present to this body, while I was a member of it, for which my vote was asked in preference to the ship subsidy bill that I would not vote for; but the Senator from Nebraska [Mr. NORRIS] has accomplished the impossible. I think of all the bad things I know of, a ship subsidy bill is about the worst, and when I see a man who pretends to belong to the holy, sacred new party which is standing for special privileges to none and equal opportunities to all, and find him advocating a bill even worse than the ship subsidy while he is opposing the ship subsidy upon the ground that it is special privilege and a taxation of equal opportunity, I find myself in an awful sort of a fix.

For me, I could not imagine a worse position than being reduced to a condition of nonaction. I have always thought that the Scriptures were right about the neutral; he is the most contemptible creature in the world. A man ought to be on one side or he ought to be on the other. He ought to vote with God or he ought to vote with Mammon, and I find myself to-day where I am absolutely a neutral and self-contemptible.

Nobody who is a Democrat, nobody who believes in special privilege for none and equal opportunities for all, could vote for the ship subsidy bill, and nobody who believes that this is a Government of limited powers and delegated powers could vote for the Norris bill, which involves the idea that the Federal Government is to become a commission merchant at a possible percentage, to deal in agricultural products, to buy and sell them, and an owner and operator of elevators and a warehouseman—mighty near as bad as—

The bo'sun tight and the midshipmite,
And the crew of the captain's gig.

The old Ocala platform which the Populist Party adopted 30 years ago in this country was an angel of light in comparison with the Norris bill. After nearly 30 years of public service I have the honor to say that I still believe that the best government in the world is the government which a man exercises over himself. I still have the honor to believe, with Thomas Jefferson, and even with George Washington, that the power of government over the individual and over business ought to be restricted; and I still believe with Thomas Jefferson—not to the extent to which he went, but to some extent, at any rate—that "the least-governed people is the best-governed people."

I would not want to live in a country where the State government under which I lived, much less the Federal Government, should be my commission merchant and my warehouseman and elevator dealer. Government is one thing; individual affairs constitute another thing. I never for one moment have surrendered to the idea that government has a right to carry on private business. I do not mean by that that I have not gone very far in the other direction during war times. Government has a right then to carry on a lot of things which hitherto have been called private business. I believe the Government has a right then to carry on a lot of quasi public business of every sort. But to put the Government in the pawnbroking business, to put the Government in the warehousing business, to put the Government in the elevator business, to put the Government out as a competitor against every man in the world engaged in any sort of business strikes me as an absolute prostitution of the purposes of all government.

Mr. President, government was not intended to be you and me. Government was intended to restrain you and me from transgressing against one another. Government was not intended to carry on the business of a nation. Government was to see that in carrying on the business of a nation justice and fair dealing and honor were maintained. I say honor, although, so far as I know, the idea that honor should be maintained in private business has never been suggested as a question of government regulation, but I believe in it. I believe, Mr. President, that the State or the municipality or the Federal Government or somebody ought to provide that whenever a man tells a lie in selling anything he ought to be subject to being sent to the penitentiary for having "got money under false

pretenses" when he told the lie. That is rather a new ground, too. But that is at least a Government regulation of private enterprise in order to bring about honesty between A and B and C and D in carrying on private enterprise.

But to prostitute the Government to being a pawnbroker, to being a commission merchant, to being an elevator owner or elevator seller or elevator warehouseman is a totally different thing. So far as I am concerned, I would just as soon live in Prussia as to live in any country, whether my own or any other, that undertook to say that the Government had the right to carry on with me every sort of business.

Mr. President, Senators may say that they are not contending that the Government has a right to carry on any sort of business or every sort of business; but if they say by law, as the Norris bill will say if it is ever enacted, that the Government has the right to be a warehouseman or elevator owner, that it has a right to buy and to sell agricultural products for export or for import or for domestic storing, then they have substantially said that Government ought to take the place of the individual citizen in every private enterprise.

God knows I did not know that there was anything mean enough, contemptible enough, low enough, radical enough, sovietical enough to make me hesitate when the question was presented as to whether I should vote for it to take the place of a ship subsidy bill; but the Senator from Nebraska, out of his own radical ingenuity, has originated something that does bring me to that point. Mr. President, I want to announce that the Senator from Indiana [Mr. WATSON], with whom I am paired, is at perfect liberty to vote on this question. I would consider myself absolutely disgraced if I ever voted to let the ship subsidy bill keep its place against the Norris bill or if I ever voted to allow the Norris bill to take the place of the ship subsidy bill. I shall, therefore, not vote for either of the eternal and everlasting monstrosities from the standpoint in which I have been taught to view them.

I have been taught by my English-speaking ancestry in Great Britain and here to believe that man was not made for government, but that government was made for man, and that government is a mere instrumentality which man exercises in the interest of the liberty and of the freedom and of the happiness of all, and not for the sake of the special privilege of any. And believing that, I could not vote for a ship subsidy which would give to a class already enjoying a monopoly of the coastwise trade of America in shipbuilding and in ship operation and in ship owning, to the utmost extent the Federal power could give it, a likewise monopoly in foreign commerce. Speaking of special privileges, it is the worst that I can dream of. Thinking that about it, Senators can imagine how astonished I was to learn that even the Senator from Nebraska could originate something that could vie in infamy, in my opinion, with its infamy.

There are men who do not believe in a protective tariff because it gives special privileges to certain classes by enabling them to tax the entire people through the higher prices of their products. But I find some of these same men want to extend the monopoly of the shipbuilding business beyond the coastwise trade, where it already has infamous lodgment, to the entire commerce of the world, so far as the United States Government can extend it.

When the question comes as to my selection of which of those two bills is the greater evil I shall solemnly confess in the presence of God and of all men that I do not know, and therefore I shall not vote upon the question, but I shall leave the Senator from Indiana [Mr. WATSON] free to vote as he pleases without my pair.

Mr. BROOKHART. Mr. President, the pending motion to proceed with the immediate consideration of the agricultural marketing bill and thereby displace consideration of the ship subsidy bill gives to the Senate itself the direct power to determine whether the short session of Congress shall be used to consider the great questions of agricultural credit and marketing as against the question of changing a government merchant marine to a private merchant marine sustained by Government aid.

The question is presented under peculiar and unusual circumstances. It follows a general election in which both the agricultural and merchant marine questions were at issue. The universal result of the election was an emphatic demand for immediate and effective relief to agriculture by legislative action upon both credit and marketing. At the same time by a very large majority the people decided against Government aid to privately owned shipping. Good proof of this is found in the vote of the House of Representatives when the shipping bill passed by but 24 majority. Sixty-nine Members voting for

the bill will be displaced in the next Congress by new Members opposed to it, thus giving a real majority of 90 against it.

This voice of the people, so clearly expressed at the ballot box, is the sovereign power of our Government. It is entitled to more than mere respect and consideration. It is entitled to obedience from every department of the Government. In spite of this sovereign command from the people of the United States, the President has seen fit to call the Congress in extra session and to urge the passage of the shipping bill to the practical exclusion of agricultural legislation. Republican leadership in both Houses has adopted the same view. I regret this exceedingly, and I can only regard it as a filibuster against the sovereign voice of the American people. I do not believe in the filibuster, and, above all, I do not believe in a filibuster against the supreme mandate of the people themselves. The issues in this case are so great, and the subject of such vital and urgent importance to the farmers of the United States, that I shall fight the filibuster to the utmost. I am ready to fight it upon its own ground and with its own weapons. Its only chance of victory is in the technical rules keeping retiring Members here until the 4th of March. Its sure defeat is in the technical rule of unlimited debate. When the Republican leadership places itself beyond and above the voice of the common people, it is not only inviting defeat in this Congress, but abdicating its right to organize the next, and is pulling down upon itself dire disaster in the elections that follow.

This voice of the common people is not new, but it is becoming exceedingly efficient. The common people may now be definitely identified as the farmers, the laborers with hand or brain, the soldiers, and the mothers, united upon a common ground for the common purpose of achieving the political and economic rights of the common people. This collective thought has decided that Government aid to private enterprises for profit is fundamentally wrong. It has further decided that present economic conditions are disastrously oppressive to agriculture and in a large measure are produced by improper laws and unwise governmental action.

One of the best illustrations in support of this conclusion is the transportation act. This ill-fated law is the first great Government grant of subsidies to the profits of private enterprises, and in this case for the operation of a public utility. Under the common and constitutional law the public utility has a guaranty of the right to charge rates high enough to yield a reasonable or adequate return upon its honest investment, subject, however, to the paramount rights of the public. Under the transportation act this rule of rate making is changed and the paramount rights of the public are eliminated. The commission is now commanded to levy the rates high enough to yield a return of 6 per cent upon a valuation of \$18,800,000,000, and for the first six months the deficit is guaranteed out of the Treasury of the United States. No reactionary leader in Congress and no reactionary newspaper ever called this state socialism; but if the farmers could have had a like guaranty during the first six months of their deflation it would have saved them \$7,000,000,000 and would have prevented widespread agricultural bankruptcy. Such a "wild" act as this, however, would have made the thrones of Wall Street tremble and filled its sympathetic newspapers with the red ink of Bolshevism. The guaranty of a half billion dollars to 8,000 millionaires to keep full the measure of their war profits is a wise, business-like, conservative, and patriotic use of the Public Treasury, but the guaranty of the cost of production to 7,000,000 farmers for a crop produced at the command of their Government at the oppressive cost of war prices is unwise, socialistic, and treasonable. This distinction is easily explained by the corporation lawyer, whose supermind lifts it up into a superworld of legal thought, but the common sense of the common man will never understand it.

For the next year and a half the commission was commanded without discretion to levy rates that would pay all operating expenses and yield a net return of 6 per cent upon this full valuation.

This it tried and failed, because the operating expenses climbed up to the sky and the common people went broke and were unable to pay the bill upon any rates whatsoever. Since then the rate has been reduced to 5½ per cent, and if the farmers and laboring people ever get money enough it will all be collected.

The valuation of \$19,000,000,000, in round numbers, as the basis of rates is unjust. It was made under the rules set forth in this law. Since it was made the railway executives themselves published a statement of the editor of the Wall Street Journal to the effect that the total railway securities were selling on the market for \$12,000,000,000. This means that all the

stocks and all the bonds representing the entire value of all the railroads in all the United States can be bought on the market for \$7,000,000,000 less than the valuation fixed by this law.

This is the first time that watered value has been legalized. We have always had watered stocks and watered bonds, but they had to shift for themselves. This water value is now given the sanction of law, and it will cost the American people \$400,000,000 a year to pay the return upon it. The transportation act should be repealed, and the water pumped out by the simple provision that the valuation of the railroads shall not exceed the market value of their securities.

The law makes no attempt to stop the capitalization of the unearned increment of property value of the railroads. This value is created by the general public, the same public that must guarantee the reasonable or adequate return to the railroads. It belongs to the public, and its capitalization should be prohibited by affirmative provision of law.

What has accrued in the past may become a vested right, but even that is disputed by good lawyers and by better common sense. In the future it will amount to three hundred or four hundred million dollars a year; and the capitalization of that the law can prevent.

The railroads are now getting over \$10,000,000,000 of the bonded portion of their capital at less than 4½ per cent. Under the present transportation law we must pay them 5½ per cent, or a bonus of about \$150,000,000 a year. This is unjust. The law should define an adequate or reasonable return so that it shall not exceed the interest rate on the bonded portion of the capital.

Other gigantic items are excessive profits of subsidiary corporations and the waste of competition. These certainly amount to several hundred million dollars per year. Altogether there is an excessive charge upon the American people of perhaps more than \$1,200,000,000 per year, without considering the wages of any man who works.

I have not taken up the railroad law with a view of discussing it in full detail, but only for the purpose of showing that under that law the Government itself has imposed these excessive burdens upon the American farmer and is to that extent to blame for his present plight.

I wish to conclude this part of my statement with a review of the psychology that produced this law. The roads were being operated by the Government. I do not question the integrity of the Director General of Railroads; he was both able and loyal to his country; but down below him, perhaps, below his possible personal touch, were managing officers who were neither loyal to him nor to the Government of the United States. They served the owners of the railroads. They wanted to discredit Government operation so that the roads would be turned back. They were traitors as truly as was Benedict Arnold. They deliberately muddled and mixed up the service. They hired excessive numbers of inefficient employees and paid them excessive wages for the deliberate purpose of increasing operating expenses. They advertised their own crimes as the evils of Government operation. They created a general sentiment and demand for a return of the roads to their private owners. With that they coupled the demand for this law. Then the propaganda went forth that it was either this law or continued operation by the despised Government of the United States.

Everybody forgot that the law authorizing the Government to take over the railroads also provided that the President should turn them back under the same law which had sufficed them for a whole generation. The President even issued a proclamation ordering them back on the 1st of March, 1920; but everybody forgot that. Even a Senator in this Chamber told me he voted for the conference report on the transportation act because he understood there was no alternative between this law and Government operation. The law never should have been enacted. The roads should have been turned back under the old law. A railroad manager stated to me that that would have meant bankruptcy to many roads. Perhaps it would to some, but nobody came along with a special privilege law to keep the farmers out of bankruptcy. Furthermore, we had 44,000 miles of railroads in the hands of receivers before the war, but they did not stop running. The Great Rock Island system was one of them. Dishonest private management had wrecked it, but a United States court restored both its solvency and efficiency in a few months.

In spite of the disloyalty and inefficiency in Government management, in spite of the increased and unnecessary expenses, the first year after the roads were turned back the private owners further increased their operating expenses by over \$1,400,000,000. About \$480,000,000 of that amount was represented by wages, but the other \$920,000,000 must be

attributed to the causes heretofore described. Since that time wages have been reduced in a lump sum by over \$400,000,000, and by a further reduction which caused the machinists' strike, but the rates until recently have been reduced less than \$100,000,000.

A similar situation and a similar propaganda is now developed in reference to shipping. The principal difference is that the Government did not own the railroads but it does own over 10,000,000 tons of shipping. The first demand of the shipping propaganda is that American shipping must sail under the American flag. It wraps itself in the garb of superpatriotism; it breathes the inference that now our flag is not on the seas and that the present situation is un-American and unpatriotic.

It is a strange and weird psychology when the mind refuses to see before its very eyes the flag nailed to the masthead of every ship by the hand of the Government itself, and it is more strange and more weird if our patriotism shall not become genuine until it is garnished and supported by unfurling the yellow flag of Wall Street above the Stars and Stripes. I believe the most patriotic ship is a Government ship, manned by Americans, and operated under the American flag in its own right. No American will complain of a small deficit when patriotism is at issue, but in the present case the deficit is not a loss to the American people, and especially to the American farmer.

I inquired of the Shipping Board as to the general rates before the war and at the present time, and I have the following letter from Chairman Lasker dated December 8, 1922:

DEAR SENATOR: Responding to the oral inquiry from your office with regard to comparative freight rates prior to the war and to-day, it gives me pleasure to furnish you the following information:

Taking our chief export, grain, the rate from North Atlantic ports to the United Kingdom in 1913 was approximately \$3.50 per long ton. This rate declined until in 1914, just prior to the outbreak of the World War, it reached approximately \$2.25. The rates to the continent were approximately 50 cents higher than these rates. Flour in 1913 was approximately \$3.80 per ton to the United Kingdom, and in 1914, \$2.69. General cargo over the same run approximated \$4.50 per ton, weight or measurement, ship's option.

In 1922 the rate for grain from North Atlantic ports to the United Kingdom approximated \$2 per ton of 2,240 pounds—

And grain is the largest item of our ocean cargoes, says this letter, and I may add the most important item to our farmers—and the flour rate about \$3.50. The general cargo rate is difficult to give because of the large number of commodity rates now prevalent. As an estimate solely, \$6 would probably represent the average rate.

The foregoing rates are based upon an estimated average for the last 12 months. The actual rates of to-day are in most cases much lower. For instance, the grain rate, which was 5 shillings per quarter on July 1, 1921, was but 2 shillings on October 1, 1922. Similarly, flour was 25 cents per hundred pounds on July 1, 1921, and 15 cents per hundred pounds on October 1, 1922.

In the same period the cost of operations has tremendously increased. The cost of shipbuilding is nearly twice the pre-war level. Bunker coals are more than twice the 1914 price, and wages of crews have increased about 50 per cent.

I hope this information is that which you desire, and that you will not hesitate to call upon me for any further assistance I may be able to render.

Yours very truly,

A. D. LASKER, Chairman.

The principal proposition of the situation, as disclosed by this letter, is that on grain the rate before the war was \$2.25, and for an average of last year it was \$2, and at this time it is considerably reduced, from 40 to 60 per cent below that. This has been done at the same time that ships have been operated with higher wages and higher costs in every respect, and at the same time the President informs us that they have reduced the deficit from \$16,000,000 a month down to \$4,000,000 a month. Viewing this matter from the standpoint of the farmer, I want to say that that four millions of deficit is not badly spent. It is worth while. It has accomplished something perhaps several times its value to agriculture in this country.

If that be true, why should any farmer want a ship subsidy which would turn these ships over to private interests and turn the rate-making power over into their hands? There is nothing in this bill which in any way regulates rates. There is nothing in this bill reaching out to say how these rates shall be controlled. We have had enough experience with the great financiers who will take over these ships to know that about one week is all the time they need for an agreement within the country or without, and rates will be made at their sweet will, and there will be no governmental power to compete with the schedules which they may establish.

On this basis alone I say, then, these ships are now worth to the United States all they are costing. Of course, I do not know just what the distinguished Senator from Mississippi [Mr. WILLIAMS] will do. He is 50 per cent with me and he is 50 per cent against me. He is 50 per cent for everybody and 50 per cent against everybody. He will vote against the ship subsidy bill, and that will leave these ships in the control of the Government of the United States, which, if I understood the trend

of his remarks, is also a very offensive situation to him, but it is not to me.

I want to speak this voice of patriotism: I want to say it is an unpatriotic position for officers of their government to be denouncing it as inefficient in the management of its business and its enterprises. If that situation be true, it is the patriotic duty of officers of the Government to see that it is corrected. I believe, so far as the Government operation of these ships is concerned, that it can be efficiently and economically done; and with the power it gives them over doing justice in rates and doing justice in commerce generally there is no question in my mind but that the highest patriotic duty demands that we keep them exactly where they are now.

There is no hurry about disposing of these ships. The new Congress will come in after the 4th of March. There will be only \$8,000,000 more lost up until that time, and the new Congress has the right to determine the question better than this Congress, because the new Congress was elected upon this issue; and in that proposition I agree most heartily with the eloquent Senator from Idaho [Mr. BORAH].

I believe from these facts it is evident that the rates on grain are greatly reduced as the result of our having the Government-operated ships. The farmers are saving many times more than the deficit. What would happen to rates if this Government shipping were turned over to private—which means Wall Street—control? That crowd never operates at a loss when a combination can be made. In one week it would reach an understanding that would boost rates to a point far higher than the present deficit. There is no provision in this law, as I have set forth, for the control of rates.

There is one other view of this deficit which I desire to present, and that relates to taxation to pay it. I have reached the definite conclusion that excess profits are the excess evil of this generation. Profits taken by the power of monopoly are taxation without representation just as truly as the tax on tea which started the American Revolution. There is no source of Government taxation so much justified as the source of excess profits.

I desire to present a few newspaper references in regard to recent financial operations in our country. I have here one statement which is headed:

Stock dividends voted in one day throughout country make vast sum. Total now \$1,600,000,000.

These same stock dividends are collected in profits charged to the American people in the operation of the various businesses. It makes no difference whether they are collected in one year or carried over from year to year; they are collected in the same way, and then when they are turned back to the stockholders in the form of stock certificates their property and their holdings are increased by that amount.

I should like to have these clippings inserted in the RECORD. They show a long list of these companies, with their names and with these stock dividends. I think it is well that the American people should have the best possible opportunity to contemplate what is going on in this direction, so I will ask that they be inserted in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

[From the Wall Street Journal, Tuesday morning, December 5, 1922.]
1922 STOCK DIVIDENDS NOW OVER \$1,000,000,000—STANDARD OIL COS. DECLARED OVER THREE-FOURTHS OF THIS RECORD-BREAKING FIGURE—TOTAL OF DECLARED STOCK DIVIDENDS MAY SOON REACH \$1,500,000,000 IN PAR VALUE IF STOCKHOLDERS APPROVE PROPOSED STOCK INCREASES—PRACTICALLY ALL THIS YEAR'S STOCK DIVIDENDS ARE SPECIAL EVENTS.

Over \$1,000,000,000 in stock dividends have been declared since January 1, 1922, by 79 corporations.

The greater part of this vast total can be credited to Standard Oil companies, as follows:

	Par value.
Standard Oil of New Jersey	\$393,353,200
Standard Oil of New York	150,000,000
Standard Oil of California	100,971,111
Ohio Oil	45,000,000
Vacuum Oil	45,000,000
Atlantic Refining	45,000,000
Standard Oil of Kentucky	2,000,000

Total..... 781,324,311

When Standard Oil Co. of New Jersey was ordered dissolved, the \$100,000,000 capitalization was selling for about \$400,000,000. Stock dividends declared over the last 11 months by Standard Oil companies have a par value almost double that.

STOCK DIVIDEND NO DISBURSEMENT OF ASSETS.

A corporation that declares stock dividends out of accumulated surplus loses nothing. It is simply capital adjustment made possible by added value. As a rule the greater part of the corporation's earnings are spent for new construction and acquisitions and added to working capital to take care of expanding business.

Thousands of additional men are put to work in new mills, factories, mines, etc. One corporation for a number of years has been averaging around \$60 a share annually on its stock. Stockholders have received

an average of not much more than \$10 annually. Surplus after dividends were put in working capital and new construction and the pay roll increased year by year. Had the management disbursed \$50 a share annually in dividends and spent \$10 a share for construction, etc., few men would have been added to the pay roll and little headway made in efficiency and economy. No progress in reducing costs would probably mean higher prices to the consumer.

RETAINED EARNINGS BENEFIT EMPLOYEES.

One manufacturer says: "A tax on accumulated surplus would mean a tax on efficiency and labor. It would mean hundreds of millions taken from new construction. It would mean smaller dividends, and the tax on dividends makes up a big per cent of Government revenues."

It is well known that prosperous companies pay the largest wages and take better care of their men. They experience less labor trouble than less prosperous companies. Labor troubles are almost unknown to Standard Oil companies. Few of the 79 corporations in the list accompanying this article have experienced serious labor troubles, partly due at least to continued progress and prosperity.

DIVIDENDS HIGH-PRICED SHARES INTO POPULAR VALUES.

Stocks selling for, say, \$200 to \$1,000 and above a share, are looked upon as rich men's investments. They are out of reach of the average investor and the employee who wishes to share in the profits of the company employing him. Splitting up the shares into smaller units through stock dividends places them within their reach. Employees who purchased Standard Oil shares over the last 15 years have seen some of their stocks increase in value 1,000 per cent. This is correspondingly true of scores of other companies, although no group of industrial companies can boast of an appreciation in value as great as that of Standard Oil. From an investment of several hundred millions less than two decades ago, Standard Oil's properties and working capital have grown to several billions. Number of men employed has grown proportionately.

Stock dividends mean little to the shareholder of record. He gets, say, 10 new shares for each old one. Nothing is added to the value of his holdings and nothing is taken away from his company.

Scores of corporations would be warranted in declaring stock dividends, and many may over the next 12 months. Few corporations that have been over liberal in paying cash dividends to shareholders at the expense of new construction and working capital are in a position to declare large stock dividends.

Corporations like United States Steel, Baldwin Locomotive, American Locomotive, American Car & Foundry, National Lead, General Electric, and United Fruit are among those in a position to declare large stock dividends.

MORE STOCK DIVIDENDS TO COME.

There are also proposed capital increases awaiting approval of stockholders. For example, Prairie Pipe Line's proposed stock dividend will be \$54,000,000 and that of Prairie Oil & Gas \$36,000,000. If these and others contemplated go through, they should aggregate about \$500,000,000, which would bring the year's total above \$1,500,000,000.

Following table shows for 79 companies stock outstanding January 1, 1922, or at the time dividend was declared, dividend in per cent, and par value of the stock dividend.

Some companies, as American Light & Traction Co. and General Electric Co., have paid stock dividends regularly for several years (General Electric Co. since January, 1918). Others listed are all special dividends.

Company.	Stock outstanding Jan. 1, 1922.	Stock dividend, per cent.	Stock dividend, par value.
Allen Consol. Oil.....	\$2,192,095	5	\$109,600
Alliance Realty.....	2,000,000	25	500,000
Am. Bank Note.....	4,495,700	10	449,570
Am. Gas & Elec.....	5,604,480	1 & 1/2	116,031
Am. Lt. & Trac.....	28,077,280	1 & 1/2	858,000
Am. Mach. Fdy.....	2,000,000	200	4,000,000
Am. Manufact'g.....	8,000,000	10	800,000
A. Radiator.....	13,906,225	50	6,953,113
Arundel.....	4,637,360	6	278,238
Atlantic Refining.....	5,000,000	900	45,000,000
Bank of N. Y.....	2,000,000	25	500,000
Beech-Nut P'g.....	955,400	400	3,821,600
Belding Bros.....	3,000,000	100	3,000,000
Bigelow-Ht'd Carpet.....	13,550,000	100	13,550,000
Borne-Serymser.....	200,000	400	800,000
Bost. Sand & G.....	1,400,000	37 1/2	150,000
B'r'ghs Add. M.....	24,750,000	25	6,187,500
Bush Terminal.....	6,722,200	2 1/2	168,055
Cal. Tel. & Lt.....	1,343,887	13 1/2	123,500
Canad. Gen. El.....	10,800,000	20	2,160,000
Cin. Un. Stk. Yd.....	1,531,000	14 1/2	219,000
City Ice & Fuel (Cleve., O.).....	3,600,000	35	1,260,000
Commere. Credit (Baltimore).....	1,500,000	30	450,000
C'm'n'nw'th Fin.....	59,354	10	5,935
Crane.....	41,290,731	2 1/2	1,032,269
Cumbe'l'd P. & L.....	12,300,000	10	1,230,000
Detroit Creamery.....	3,200,000	60	1,920,000
Du Pont Chem.....	600,000	112 1/2	675,000
Du Pont Chem.....	12,942,710	112 1/2	3,310,549
Exchange Buffet.....	362,500	300	1,087,500
Fed. Lt. & Trac.....	12,500,000	142	1,750,000
Fidelity & Cas'ty.....	2,000,000	100	2,000,000
Finance Service.....	163,370	5	8,168
Gas & Elec. Sec.....	1,143,561	1	114,356
General Elec.....	147,536,814	5	8,609,715
Gibson Art.....	500,000	25	125,000
Gillette Saf. R.....	23,320,000	5 & 5	1,428,000
Great Am. Ins.....	10,000,000	25	2,500,000
Great Nor. Paper.....	8,272,000	200	16,544,000
Hanover Nat. Bk.....	3,000,000	66 2/3	2,000,000
Hayes Wheel.....	1,635,320	22	359,000
Hercules Powder.....	7,150,000	100	7,150,000
Helme, G. W.....	4,000,000	50	2,000,000
Humphreys Oil.....	8,577,500	75	6,422,500
Ingersoll-Rand.....	10,900,035	100	10,900,035
Int. Comb. Eng.....	59,000	200	11,800
Int. Harvester.....	93,438,000	2 & 2	3,782,975
Intertype Corp.....	20,125	10	2,012
Kellogg Switchboard and Sup.....	5,800,000	15	875,000

¹ Preferred.

² Including preferred.

³ Shares.

Company.	Stock outstanding Jan. 1, 1922.	Stock dividend, per cent.	Stock dividend, par value.
Manhattan Shirt.....	\$5,000,000	10 & 24	\$777,000
Minute Tapioca.....	200,000	50	100,000
Nat'l Biscuit.....	29,226,000	75	21,920,000
Nat'l Sugar.....	10,000,000	50	5,000,000
North-Am.....	15,033,200	1	150,232
Ohio Oil.....	15,000,000	300	45,000,000
Pac. Gas & E.....	34,004,058	2	680,081
Packard Mot.....	11,885,100	100	11,885,100
Reo Motor Car.....	6,937,250	100	6,937,250
Reynolds, R. J.....	60,000,000	33 1/3	20,000,000
Royal Typewriter.....	\$3,771,700	61.25	2,308,971
Saco-Low'll Shops.....	3,525,000	50	1,762,500
Schrafft, W. F., & Sons.....	500,000	300	1,500,000
Scotten, Dillon.....	2,250,000	33 1/3	750,000
South States Oil.....	2,000,000	8	160,000
Spalding, A. G., & Bros.....	2,606,900	100	2,606,900
Standard Milling.....	7,410,142	60	4,446,085
Stand. Oil, Cal.....	100,971,111	100	100,971,111
Stand. Oil, Ky.....	6,000,000	33 1/3	2,000,000
Stand. Oil, N. J.....	98,338,300	400	393,353,200
Stand. Oil, N. Y.....	75,000,000	200	150,000,000
Stand. Steel Car.....	4,000,000	900	36,000,000
Stand. Undgrd C.....	5,250,000	20	1,050,000
Texon Oil & Ld.....	1,904,761	5	95,239
Torrington.....	3,500,000	100	3,500,000
Union Nat. Gas.....	9,840,000	75	7,380,000
Union Oil of Cal.....	50,000,000	80	40,000,000
U. S. Guarantee.....	205,000	120	300,000
Un. Royalties.....	250,000	100	402,690
Vacuum Oil.....	15,000,000	300	45,000,000
Va. Ir. C. & C.....	10,000,000	50	5,000,000
Victor Talk'g M.....	4,999,000	600	29,994,000
Yale & T. Mfg.....	4,998,774	100	4,998,774
Yellow Cab.....	500,000	300	1,500,000
Total par value of stock dividends.....			1,007,705,638

1 Common.

2 Including preferred.

3 Preferred.

4 Including common.

Dividend declarations.

	Books close.	Books open.	Dividend.	Payable.
Union Traction (Phila.) ¹	Dec. 9	.....	3%	Jan. 1
United Dyewood com. ¹	Dec. 15	.....	\$1.50	Jan. 2
Allis-Chalmers Mfg. pt. ¹	Dec. 23	.....	\$1.75	Jan. 15
Bangor & Aroostook pt. ¹	Dec. 15	.....	13%	Jan. 1
Buffalo Gen. El. com. ¹	do.	.....	2%	Dec. 30
Detroit & Cleve. Nav. ¹	do.	.....	\$1.00	Jan. 2
Endicott Johnson com. ¹	do.	.....	\$1.25	Jan. 1
Endicott Johnson pt. ¹	do.	.....	\$1.75	Do.
Illinois Cent. L. Lines ¹	Dec. 11	.....	2%	Do.
Imperial Tob. (Can.) ord. final.....	.....	.....	10%	Jan. 2
Pitts., F. W. & Chic. com. ¹	Dec. 9	.....	14%	Do.
Pitts., F. W. & Chic. pt. ¹	do.	.....	14%	Do.
Rochester & Syracuse pt. ¹	Dec. 2	.....	\$1.00	Dec. 15

1 Stock of record.

STANDARD GAS & ELECTRIC CO.

Report of the Standard Gas & Electric Co. and its properties shows gross of \$36,726,524 for the 12 months ended October 31, 1922, an increase of \$1,962,040 over the same period of 1921. Net after taxes was \$13,464,475, an increase of \$1,498,855.

GENERAL GAS & ELECTRIC CO.

Report of combined earnings of the General Gas & Electric Co. and its subsidiaries shows gross of \$12,105,941 for the 12 months ended October 31, 1922. Net after taxes was \$3,197,304, and balance after charges \$762,752.

[From the Sun, Baltimore, Wednesday morning, December 6, 1922.] \$211,500,000 GIVEN TO STOCKHOLDERS—STOCK DIVIDENDS VOTED IN ON DAY THROUGHOUT COUNTRY MAKE VAST SUM—TOTAL NOW \$1,600,000,000—TWO OF STANDARD OIL GROUP EACH DECLARE 300 PER CENT DISTRIBUTION.

NEW YORK, December 5.—Stock dividends totaling \$211,500,000 were announced to-day by seven large industrial corporations and banks, bringing the total stock dividends declared in the last few months to more than \$1,600,000,000. These sums, in virtually all cases, have been provided for out of undistributed surpluses, apparently in anticipation of unfavorable tax legislation in the next Congress.

The Studebaker Corporation increased its capitalization \$15,000,000 by declaring a 25 per cent stock dividend. Directors expected that the customary annual 10 per cent dividend would be continued.

\$45,000,000 SURPLUS DIVIDED.

The Vacuum Oil Co. distributed \$45,000,000 of surplus in the form of a 300 per cent dividend. The William Wrigley, Jr., Co. declared a 10 per cent stock dividend of \$1,500,000 to common-share holders.

The Bank of Manhattan Co., one of the oldest in the country, increased its capital from \$5,000,000 to \$10,000,000 by capitalizing surplus and declaring a 100 per cent stock dividend. The Equitable Trust Co. announced plans to increase its capital from \$12,000,000 to \$20,000,000, one-half of which would be a 33 1/3 per cent stock dividend and the remainder a new issue of stock to which holders of the bank stock might subscribe.

The E. I. du Pont de Nemours Co. declared a 50 per cent stock dividend amounting to \$20,000,000. The Whitman Mills, of New Bedford, called a stockholders' meeting to consider a stock dividend of 50 per cent by increasing the capitalization from \$2,000,000 to \$3,000,000.

ANOTHER STANDARD OIL DIVIDEND.

The stockholders of the Standard Oil Co. of California to-day authorized a stock dividend of 100 per cent and increased the capital stock from \$115,000,000 to \$250,000,000.

The directors of the Standard Oil Co. of Kansas declared a stock dividend of 300 per cent payable December 30 to stockholders of record December 16. The State charter board yesterday authorized the company to increase its capitalization from \$2,000,000 to \$8,000,000.

[From the Journal of Commerce and Commercial Bulletin, Tuesday, December 5, 1922.]

\$1,200,000,000 STOCK DIVIDENDS TO DATE—MANY MORE DISTRIBUTIONS AWAIT APPROVAL—STANDARD OIL COMPANIES PAY BULK OF MELONS, WITH SEVERAL YET TO BE HEARD FROM—TABLE GIVES DATA.

Stock dividends totaling more than \$1,200,000,000 have been declared since the first of the year, and numerous proposed capital increases are awaiting the approval of stockholders.

Standard Oil companies have accounted for the major portion of the vast total and all of them have not been heard from. The New York, New Jersey, California, Kentucky, and Ohio companies, together with the Vacuum Oil Co. and Atlantic Refining, alone declared stock dividends amounting to \$781,324,311. To this will be added the Prairie Pipe Line Co.'s \$54,000,000 proposed stock melon and the \$36,000,000 distribution of the Prairie Oil & Gas Co.

The following table shows the stock dividends announced by 79 companies, the stock outstanding January 1, 1922, and the par value of the stock melons:

Company.	Stock outstanding Jan. 1, 1922.	Stock dividend, per cent.	Stock dividend, par value.
Allen Consol. Oil.....	\$2,192,095	5	\$109,600
Alliance Realty.....	2,000,000	25	500,000
Am. Bank Note.....	4,495,700	10	449,570
Am. Gas & Elec.....	5,604,480	1&1	116,081
Am. L. & Tr.....	28,077,280	1&1&1	858,000
Am. Mach. Fdy.....	2,000,000	200	4,000,000
Am. Manuf'g.....	8,000,000	10	800,000
Am. Radiator.....	13,806,225	50	6,903,113
Arundel.....	4,637,360	6	278,238
Atlantic Refining.....	5,000,000	900	45,000,000
Bank of N. Y.....	2,000,000	25	500,000
Beech-Nut P'g.....	955,400	400	3,821,600
Belding Bros.....	3,000,000	100	3,000,000
Bigelow-Htfd. C'pt.....	3,550,000	100	13,550,000
Borne-Scrymser.....	200,000	400	800,000
Bost. Sand & G.....	1,400,000	37 1/2	150,000
B'r'ghs Add. M.....	24,750,000	25	6,187,500
Bush Terminal.....	6,722,200	2 1/2	168,055
Calif. Tel. & Lt.....	1,343,887	36	123,500
Canadian Gen. El.....	10,800,000	20	2,160,000
Chm. Un. Stk. Yd.....	1,531,000	14 1/2	219,000
City Ice & Fuel (Cleveland, O.).....	3,600,000	35	1,260,000
Commere'l Credit (Baltimore).....	1,500,000	30	450,000
Com'ow'lth Fin.....	2,59,354	10	.....
Crane.....	41,290,731	2 1/2	1,032,269
Cumberl'd P. & L.....	12,300,000	110	230,000
Detroit Creamery.....	3,200,000	50	1,600,000
Du Pont Chem.....	600,000	112 1/2	675,000
Du Pont Chem.....	12,942,710	112 1/2	3,310,549
Exchange Buffet.....	262,500	300	.....
Fed. Lt. & Trac.....	12,500,000	142	1,050,000
Fidelity & Cas'ty.....	2,000,000	100	2,000,000
Finance Service.....	163,370	5	6,170
Gas & Elec. Sec.....	1,143,561	1	114,359
General Elec.....	147,536,814	5	8,609,715
Gibson Art.....	500,000	25	125,000
Gillette Saf. Raz.....	23,320,000	5&5	1,428,000
Great Am. Ins.....	10,000,000	25	2,500,000
Great Nor. Paper.....	8,272,000	200	16,544,000
Hanover Nat. Bk.....	3,000,000	66 2/3	2,000,000
Haves Wheel.....	1,633,320	22	359,000
Hercules Powder.....	7,150,000	100	7,150,000
Helme, G. W.....	4,000,000	50	2,000,000
Humphreys Oil.....	8,577,500	75	6,422,500
Ingersoll-Rand.....	10,900,035	100	10,900,035
Int. Comb. Eng.....	259,000	200	.....
Int. Harvester.....	93,638,000	2&2	3,782,975
Intertype Corp'n.....	20,125	10	.....
Kellogg Switchb'd & Sup.....	5,500,000	15	825,000
Manhattan Shirt.....	5,000,000	10 & 24	777,000
Minute Tapioca.....	200,000	50	100,000
National Biscuit.....	29,226,000	75	21,920,000
National Sugar.....	10,000,000	50	5,000,000
North American.....	1,533,200	1	150,232
Ohio Oil.....	15,000,000	300	45,000,000
Pac. Gas & El.....	34,004,058	2	680,081
Packard Motor.....	11,885,100	100	11,885,100
Reo Motor Car.....	6,937,250	100	6,937,250
Reynolds, R. J.....	60,000,000	33 1/3	20,000,000
Royal Typewriter.....	\$3,771,700	61.25	2,308,971
Saco-Low'll Shops.....	3,525,000	50	1,762,500
Schrafft, W. F., & Sons.....	500,000	300	1,500,000
Scotten, Dillon.....	2,250,000	33 1/3	750,000
South States Oil.....	2,000,000	8	160,000
Spalding, A. G., & Bros.....	2,606,900	100	2,606,900
Standard Milling.....	7,410,142	60	4,446,085
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Stand. Oil, N. J.....	98,338,300	400	393,353,200
Stand. Oil, N. Y.....	75,000,000	200	150,000,000
Stand. Steel Car.....	4,000,000	900	36,000,000
Stand. Undgrd C.....	5,250,000	20	1,050,000
Texon Oil & Ld.....	1,904,761	5	95,239
Torrington.....	3,500,000	100	3,500,000
Union Nat. Gas.....	9,840,000	75	7,380,000
Union Oil of Cal.....	50,000,000	80	40,000,000

1 Preferred.

2 Common.

3 Shares.

Company.	Stock outstanding Jan. 1, 1922.	Stock dividend, per cent.	Stock dividend, par value.
U. S. Guarantee.....	\$205,000	120	\$300,000
Un. Royalties.....	250,000	100	402,690
Vacuum Oil.....	15,000,000	300	45,000,000
Va. Jr., C. & C.....	10,000,000	50	5,000,000
Victor Talk'g M.....	4,999,000	600	29,994,000
Yale & T. Mfg.....	4,998,774	100	4,998,774
Yellow Cab.....	500,000	300	1,500,000

Mr. BROOKHART. Great combinations in our country have reached such a position of economic power and such a position of mutual understanding that they seem to be entirely able to charge whatever profit they deem just, and the common people of the United States have no voice in those profits.

Here is the American farmer, with a capital investment of nearly \$80,000,000,000. Collectively the American farmer is the big business man of the United States, and yet in the price which he receives for his product he has no voice. He can add in no expense. He can charge no profit. His price is fixed by other agencies of less capital investment, and of a mighty small personnel compared to the 7,000,000 farmers and their families. On the other hand, the American farmer has no voice in the price which he will pay for the industrial products which he must use. That price is also fixed by other agencies beyond his power and beyond his control. There is no other business on this earth that could survive one year or one month under such an economic situation; and it is that great question of giving to the farmer a voice in the marketing of his product, some voice in the credit for the control of that market, which is before the Senate in the determination of this motion.

The other question which I desire to discuss briefly before I conclude relates to the administration of the Federal reserve bank in reference to agriculture.

The distinguished Senator from Louisiana [Mr. RANDELL] said that we had established a Federal reserve bank for the purpose of assisting business; that it was the agency that would help business in a general way; and that a ship subsidy would in some way do for shipping what the Federal reserve bank was doing for business. Apparently, the distinguished Senator omitted the consideration of the biggest business in this country when he referred to the beneficial effects of the Federal reserve bank. He apparently omitted agriculture entirely, because I think it can not be said that the Federal reserve bank has been an agricultural bank in any particular.

As I view that situation, the foundation for all credit, of the whole banking system, is deposits. It is the deposits put in the bank by the common people, the people of the country, upon which the bank is built. Withdraw the deposits and there is no bank. It has no need then for anything but a receiver. The receiver, of course, would wind it up. The first story on top of the deposits is the ordinary bank as it is organized, and that is the first story which I described of the credit structure. A large number of these banks being organized, they are required by law to keep reserves, and they have funds which at times they would like to redeposit in order to get some use of those funds and some return upon them. That redepositing is the reserve business. That is the upper story of the credit structure, all resting upon this same foundation of deposits.

During the war we had big things to finance. They needed to be financed quickly, and it was decided that it would be well to collect these redeposits into one great reservoir under the control of one board in order that these things might be more efficiently handled. I have no objection to that idea, and the Federal reserve bank was established upon it and upon these same deposits. The farmers' deposits were included among those. The farmers' deposits were the biggest item among them. Figuring it out upon the best evidence I could, taking the estimate of my own State as a basis, something like 40 per cent of the deposits of the country are made by the 7,000,000 farmers in the United States, laborers deposit more than 25 per cent, and little and big business the balance. Yet this great structure, built upon those deposits, had no farmer on the board, no laboring man upon the board, and was mainly controlled by those representing the big interests of the United States.

What did they do to the American farmer by their administration? In our State they first looked us over, and decided that we needed inflating. They decided that would be a good thing for us. No; first they established a dead line of credit allotment, I should have said. Under that rule Iowa received an allotment of \$36,000,000. One bank in Chicago had \$80,-

000,000, and one bank in New York had \$145,000,000, but the whole State of Iowa, ranking fifth in resources among the States of the Union, had the small allotment of but \$36,000,000, based upon this arbitrary rule of deposits of member banks. Then, having decided to inflate us, they overloaned us, as they called it, up to \$96,000,000 at one time; at the time of which I speak it was \$91,000,000.

Then they looked us over again and decided that we needed deflating, and they sent a representative out in the State of Iowa to perform the operation. He came out from the Chicago branch and held meetings around over the State. I attended his meeting at the city of Ottumwa, and I know what was said and done. He said to the assembled farmers, "We have been too good to you out here. We have overloaned you. You are \$55,000,000 now above your allotment." That was in the fall of 1920, the corn-husking time. He said, "You will have to sell this corn and reduce these loans, because the time has come when the people who are entitled to this money must have it." Then I stood up and asked him who those folks were who were entitled to that credit and would get it as the farmers were forced to sell their stuff at harvest time and pay the money in. He did not answer that question. I repeated it, and he did not answer it. I never did get an answer from him.

The banks throughout our State, following that direction, notified the farmers that their loans must be paid when they came due, in order to reduce this obligation to the Federal reserve bank. Then started the panic in farm prices, and, as Senators all know, there never was such a panic in the United States. Did they have to call those loans? They did the same thing in California, they did the same thing in Kansas, they did the same thing over all the agricultural portion of the country. At the very time those loans were called the Federal reserve bank had more than a thousand million dollars of unused credit, which it could have loaned to the farmers of the United States instead of calling those loans. That policy perhaps avoided a panic of the banks, but it handed the farmers of the United States the worst panic in the history of agriculture.

I was talking with a distinguished member of the Chamber of Commerce of New York the other evening about that proposition, and he said to me that the deflation policy of the Federal Reserve Board was wrong. But he said they did not intend to do that thing; that it went further than they figured. I said, "If they are as inefficient as that, it is the most powerful argument for my theory of turning those fellows out of that board and putting upon it 3 farmers, 2 laboring men, 2 men of little business, and 1 man of big business."

I believe something of that kind must be done in reference to the control of credit throughout the country. The farmers even in my own State deposit enough in the banks for their own credit, but under this banking organization it is taken away from them and is used to back other enterprises. If my estimate of 40 per cent is correct, or anywhere near correct, in 1920, according to the comptroller's report, the farmers deposited more than \$4,000,000,000 in all of the national banks of the United States, and at the same time they were allowed \$1,998,000,000 for use in agriculture. Therefore it has occurred that the panic in farm prices and the destruction of agriculture, wrought by that panic, have been brought about through the impounding of the farmer's own money and denying him the use of it in his own business. I call that a strike; I call it a credit strike, a money strike. That credit strike of 1920 did the farmers of Iowa and of the United States generally more damage—it did them ten times more damage—than all of the industrial strikes the laboring men have organized in the whole history of the United States.

There is something wrong about that situation. It has brought agriculture to the verge of ruin. The thing we are going to consider now, if this motion carries, is the remedy for that situation. I will not attempt to discuss the merits of the Norris bill, but it is the only measure proposed in Congress which affords a chance for immediate and speedy relief. It is drastic, I will concede. Perhaps in the end it means the ultimate organization of cooperative marketing, which the farmers of the United States are entitled to have; but cooperative marketing, cooperative anything, is a matter of growth, and there would be no immediate relief from a purely cooperative bill, and immediate relief is demanded by the farmers of the United States.

I hope this motion will carry. I hope this question will come before the Senate, and I hope we will no longer be bothered with this little question of saving twenty-five or thirty million dollars a year upon these ships which are being operated by the Government, and which were built for safety in war.

Now a word in reference to the national defense. I believe in national defense. There never was a time my country called that I did not volunteer to serve it. If the occasion should arise again, I would resign from the Senate to serve it again. I believe in all that. Yet why this strange agitation for national defense when those ships now belong to the Government itself, the place they would have to go if they were used for national defense? Yet somebody wants to sell them, and turn them over to somebody else in the interest of national defense. To me that is the most ridiculous proposition which has been advanced upon the floor of the Senate.

It is not national defense; it is moving a long distance away from national defense. The national defense consists in making this Government a more efficient, a more American, a more patriotic Government in its business affairs and its economic affairs, as well as its military affairs.

I desire to inquire of the Senator from Washington in reference to a situation in his own State which was brought to my attention by the Farmers' Union recently. They say that about one-third of the apple crop in that State is being destroyed because it will not bring price enough to pay the freight rates, and because there are no marketing facilities. The Farmers' Union, they told me, are getting ready to dump 6,000 bushels at one time into the Columbia River, and to take a moving picture of those apples as they go into the river. Is there such a situation as that out there?

Mr. JONES of Washington. Six thousand bushels? I would not be surprised if it were 6,000 carloads.

Mr. BROOKHART. They told me there would be 10,000 carloads dumped into the river altogether.

Mr. JONES of Washington. With regard to that, I will say that I do not think the condition is overdrawn. When I was in Wenatchee in the fall there were about 9,000 carloads of apples in the warehouses there, and many of those apples were rather early apples, which need to get to the market very early. It had been impossible, apparently, for them to get cars to carry them off. They should have gotten them to market by about the 1st of December. They were getting about 100 cars a day; they should have had at least three or four hundred cars a day. It looked then as though there would be six or seven thousand carloads of apples lost at that one point. So I am afraid the picture is not overdrawn.

Mr. STANLEY. Are they the same beautiful apples for which we are paying 10 cents apiece here now?

Mr. JONES of Washington. They are.

Mr. FLETCHER. May I interrupt the Senator to inquire whether it is possible to store those apples, or can they be kept?

Mr. JONES of Washington. It is possible to store the apples, but they have not the cold-storage facilities at the point to which I am referring. They have cold-storage facilities for about 700 carloads of apples. They have warehouses for the others but not cold-storage facilities. I would like to suggest right here, in this connection, that those farmers very likely would have relief if we had refrigerator ships which could meet their apples at Seattle, about 150 miles away.

Mr. BROOKHART. I would suggest that we send some of the idle ships around and get them, take them over to New York, and feed the people there.

Mr. JONES of Washington. They have not the refrigerator ships. That is the trouble.

Mr. STANLEY. Mr. President, I do not want to get the Senator off the subject, but has he investigated the action of the National Fruit Co., or whatever agency it is that gets western apples, and is preparing to throw them into the sea on one seaboard, and is selling them on another part of the continent at exorbitant prices? It surely does not cost at the rate of 10 cents apiece to ship apples from the State of Washington to the city of Washington by any kind of transportation. Somebody has a trust and a graft in the handling of that fruit.

Mr. REED of Missouri. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Missouri?

Mr. BROOKHART. I yield.

Mr. REED of Missouri. The Senator from Kentucky has touched on the question I was going to ask. What is the price being demanded for those apples by their owners who are about to dump them into the Columbia River?

Mr. BROOKHART. I understand they would be willing to take any price.

Mr. REED of Missouri. Have they been willing to take any price for the apples, or have they demanded a considerable price?

Mr. BROOKHART. I think they have been willing to take any reasonable price.

Mr. REED of Missouri. That is a very interesting question. I am not asking it to impugn anybody's motives, but I am very anxious to have the question answered. I would like to know the prices which have been demanded and received for that part of the crop which has been marketed, and since the Senator is in touch with the gentlemen who are supposed to know, I hope he will enlighten us.

Mr. JONES of Washington. Of course, I do not know of my own personal knowledge, but I was informed, when I was out there last fall, that for many of the apples which had already been sold and gotten to the market the farmer had received about 5 cents a box, after the freight was paid, and after the expenses of picking, of boxing, and of packing were paid. Of course, our apples are wrapped in paper, separately, and then packed in the boxes. After all those expenses were deducted, the farmer got only about 5 cents.

I will say to the Senator that these men have not kept their apples there because they have not gotten what they demanded. Their apples must come to the eastern market largely. They send them, I think, to the commission houses and take a chance of having a bill come back for freight rather than having a check come back for the proceeds of the apples.

Mr. REED of Missouri. Who handles the apples at the shipping point?

Mr. JONES of Washington. They have warehousemen who put them in their warehouses, and they have commission men there who sell them or consign them on commission. A good many of the farmers or apple raisers, however, probably ship the apples themselves. They put them in the warehouse and have them shipped out. I really do not know so much about the details of that part of the transaction.

Mr. REED of Missouri. Is there an association of fruit raisers?

Mr. JONES of Washington. Yes; they have associations of fruit raisers, and they handle the fruit through them in many instances.

Mr. REED of Missouri. I do not want to be understood as antagonizing the people who have fruits. I am merely trying to get some information.

Mr. JOHNSON. Mr. President, will the Senator yield for a suggestion?

Mr. BROOKHART. Certainly.

Mr. JOHNSON. It may be that the difficulty encountered in Washington was what we encountered during the last few months in California. There was a car shortage which was absolutely ruinous to us and our production, particularly with regard to fresh fruits, and the like. It is possible that the same difficulty occurred in the State of Washington.

Mr. JONES of Washington. I stated they were getting only 100 cars a day when they should have had 300 cars a day.

Mr. JOHNSON. We have not had the cars in the West with which to transport our products.

Mr. REED of Missouri. If that is the difficulty, it is so easily met that we need none of us get excited about it. I am as ready as anybody else to help meet it. A condition where railroad companies over long periods of time fail to secure the necessary amount of cars to handle the business of the country is an intolerable condition and points directly to incompetence somewhere. I will not at the present moment say where. It may be we are part of the incompetence.

But I am still interested in knowing whether the apples for which we pay exorbitant figures here are marketed in the East at unreasonable figures and the increased price comes at this end, or whether the price is a result of car shortage or a monopoly exercising a control at the source of supply, or a monopoly exercising a control at the source of distribution, or whether it is the result of all these conditions. While I suppose the Senator is not prepared at this moment to answer, I would like to have these questions answered. If he will permit me further, we have in the last five minutes disclosed abundant reason for Congress giving serious consideration to the whole question.

Mr. BROOKHART. I am prepared at this moment to answer in a general way the question suggested by the Senator from Missouri. As a representative of the National Farmers' Union I attended the investigation conducted by the joint committee of the House and Senate and made the opening statement of the farmers' case in that investigation. In the course of that statement I said to them that out of the dollar which the laboring man paid for products of the farm the farmer gets 38 cents. That statement was somewhat challenged. Then they investigated the proposition. They spent several months and took a large amount of testimony, investigating the matter everywhere.

I will say to the Senator from Missouri that that figure includes all the great average of farm products of every kind.

At the end of that investigation they found and reported that I was wrong. Yes; they found and reported that out of the dollar which the laboring man paid for the products of the farm the farmer gets 37 cents. That situation means that something is intolerable in our marketing distribution in the United States.

A similar situation obtained in Denmark 30 years ago. The farmers then organized their cooperative credits and cooperative banks and cooperative processes. They have 46 cooperative packing plants under their control in that little kingdom at this time. They can outsell the Beef Trust in a competitive market everywhere, because they produce better products. Now, at the end of that development they have reduced the cost of distribution until, instead of 63 cents, as in our country, it is from 25 to 28 cents in their country. The margin ought to be narrower in our country than in theirs, because we produce a larger volume of larger stuff. Our great volume of grain and live stock ought to reduce the cost of distribution below their cost.

I say now, as I indicated somewhat in pointing out the big profits that are being assembled by certain large financial institutions, that it has become a question with the farming business of the cost of distribution over and above all other questions. That question will have direct consideration in the Norris marketing bill, and it will again have full consideration in the rural credits bill when it reaches us from the Committee on Banking and Currency. At any rate, we have reached the time when it seems to me that it is little short of a gross neglect of our duty if we proceed further upon this question of whether or not we shall figure out the \$25,000,000 or \$30,000,000 saving upon ships when we have this great question, of vital interest to all the millions of Americans, which ought to be solved this winter.

Then there is the Federal land bank, held down by restrictions and limitations until it can not function. The \$10,000 loan limit ought to be removed. The other restrictions ought to be taken away. That law ought to be amended at this session and before the 1st of March, when all those loans fall due, so as to relieve the farmers of the country somewhat from the great burden of exorbitant interest that is now put upon them.

Mr. JONES of New Mexico. Mr. President, may I ask the Senator from Iowa a question?

Mr. BROOKHART. Certainly.

Mr. JONES of New Mexico. I do not understand that the ship subsidy bill now before the Senate will affect the coastwise trade of the United States in any particular. Does the Senator from Iowa so understand?

Mr. BROOKHART. I do not so understand it.

Mr. JONES of New Mexico. Of course, the passage of the ship subsidy bill would have no effect whatsoever in regard to the transportation of apples from the State of Washington around to the city of Washington, but I understand that the ship subsidy bill relates wholly to international trade. Much has been suggested in favor of the ship subsidy bill because of its supposed added transportation facilities for farm products. Am I to understand that anyone has suggested that the bill, if enacted into law, would reduce the present freight rates on farm products from this country to any European country?

Mr. BROOKHART. I have offered an amendment to the bill providing for a rebate of 10 per cent of the rates to the farmers. That is the only suggestion I have heard made along that line.

Mr. JONES of New Mexico. If I understood the Senator from Iowa correctly in his very able address, to which I took great pleasure in listening, the freight rates for the transportation of farm products across the ocean now are considerably less than prior to the war, and no one has suggested, so far as I have been able to learn, that the passage of the bill would tend to reduce present freight rates on farm products in international trade.

Mr. BROOKHART. In talking with members of the Shipping Board, a former member of the Shipping Board said that he believed the rates would surely be increased. They claim they are not getting living rates at this time, so it would not reduce the rates, but is almost sure to increase them.

Mr. JONES of New Mexico. Then the farmer certainly can not be interested in the passage of the ship subsidy bill with the expectation that he would derive any material present profit from the passage of the bill or have any hope of profit from the bill in the near future.

Mr. BROOKHART. No; I think the farmer will pay the added freight.

[At this point Mr. BROOKHART yielded the floor for the day.]

Mr. CURTIS. Mr. President, has the Senator from Iowa concluded his remarks?

Mr. BROOKHART. I should like to conclude to-morrow if I may do so. There are a few matters that I desire to present at that time.

Mr. JONES of Washington. I supposed the Senator from Iowa had concluded. I gave notice the other day that I should ask the Senate to remain in session until half past 5 anyway. How much longer would the Senator desire to-morrow?

Mr. BROOKHART. There are some matters which I desire to present that I have not with me at this time.

Mr. NORRIS. I suggest to the Senator from Washington that it is a quarter after 5 now, and we have been in session since 11 o'clock this morning. It is not an unreasonable request that the Senator from Iowa makes.

Mr. JONES of Washington. I appreciate that. The Senator said he has some papers in his office relating to matters he desires to present. I do not intend to press him unduly, but I think I have been extremely lenient in reference to the bill. Indeed, I have been criticized by some because I have not kept the bill more before the Senate. I am not disposed to press the Senator if he has some papers that are not here, but I do hope that Senators will realize that we are getting to a point where we must insist on the bill being kept before the Senate. Senators who desire to speak I think should be prepared to do so, because we want to press the bill to a conclusion one way or the other as soon as possible. I will consent that the bill may go over and the Senator may conclude to-morrow. A brief executive session is desired this evening.

Mr. FLETCHER. Mr. President, I was just going to say that I thought it was entirely in order for the Senator from Iowa to suggest that he has material which he proposes to present, but has not with him at this time. It is now a quarter after 5—

Mr. JONES of Washington. I know the Senator has some papers that he wishes to use, and they are not with him. I do not want to press him unduly, but I think I have been extremely lenient in reference to this measure.

Mr. FLETCHER. So far as concerns the suggestion of the Senator from Washington about being lenient is concerned, I think the Senator from Washington has had the bill discussed every minute to-day. No one has delayed it a moment to-day. The speech on the other side of the question consumed something like four hours to-day. I do not think the Senator can intimate at all that any one opposed to his view of the measure has taken up any unnecessary time.

Mr. JONES of Washington. I have not said that. What I am complaining about is that we have not taken enough time on the question; that we have not been keeping the bill before the Senate enough hours during the day.

Mr. FLETCHER. We started at 11 o'clock this morning and the bill has been before the Senate ever since.

Mr. JONES of Washington. Yes; I understand that.

Mr. CURTIS. I understood that the Senator from Iowa had yielded the floor and that he will proceed to-morrow. It is understood that he is to have the floor to-morrow morning when the Senate convenes, and I desire to submit a conference report.

Mr. BROOKHART. That course is satisfactory to me.

Mr. JONES of Washington. I ask unanimous consent that the unfinished business may be temporarily laid aside for the consideration of the conference report.

The PRESIDENT pro tempore. Without objection, the unfinished business will be temporarily laid aside.

APPROPRIATIONS FOR DEPARTMENTS OF STATE AND JUSTICE.

Mr. CURTIS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13232) making appropriations for the Departments of State and Justice and for the judiciary for the fiscal year ending June 30, 1924, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 6, 7, 11, 13, 15, 21, 22, and 23.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 8, 9, 10, 12, 16, 17, and 18, and agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of

the sum proposed insert "\$925,000"; and the Senate agree to the same.

The committee of conference have not agreed upon amendments numbered 1, 2, 5, 14, 19, 24, and 25.

CHARLES CURTIS,
F. E. WARREN,
H. C. LODGE,
LEE S. OVERMAN,

Managers on the part of the Senate.

JAMES W. HUSTED,
ROBERT E. EVANS,
EDWARD T. TAYLOR,

Managers on the part of the House.

The PRESIDENT pro tempore. The question is on agreeing to the report.

The report was agreed to.

THE MERCHANT MARINE.

Mr. JONES of Washington. I ask that the unfinished business may be laid before the Senate so that it may be pending.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes.

The PRESIDENT pro tempore. The pending question is the motion of the Senator from Nebraska [Mr. NORRIS].

EXECUTIVE SESSION.

Mr. JONES of Washington. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened and (at 5 o'clock and 25 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Tuesday, December 19, 1922, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate December 18 (legislative day of December 16), 1922.

SOLICITOR OF INTERNAL REVENUE.

Nelson T. Hartson, of Washington, to be solicitor of internal revenue, vice Carl A. Mapes, resigned, effective January 1, 1923.

APPRAISER OF MERCHANDISE.

Albert H. Reutter, of Detroit, Mich., to be appraiser of merchandise in customs collection district No. 38, with headquarters at Detroit, Mich., to fill an existing vacancy.

POSTMASTERS.

ALABAMA.

John L. Miller to be postmaster at Berry, Ala., in place of J. C. Boone. Incumbent's commission expired March 16, 1921.

CALIFORNIA.

Lewis P. Hathaway to be postmaster at Ventura, Calif., in place of C. B. McDonell. Incumbent's commission expired September 5, 1922.

FLORIDA.

William A. Parker to be postmaster at Carbur, Fla. Office became presidential July 1, 1922.

INDIANA.

Lee Herr to be postmaster at Tell City, Ind., in place of Louis Zeeher. Incumbent's commission expired September 5, 1922.

KANSAS.

Maud Williams to be postmaster at Lenexa, Kans. Office became presidential July 1, 1922.

LOUISIANA.

James L. Hopkins to be postmaster at Marion, La. Office became presidential January 1, 1921.

MARYLAND.

James P. Gooch to be postmaster at Brentwood, Md. Office became presidential October 1, 1922.

Mary W. Tise to be postmaster at Hyattsville, Md., in place of M. W. Tise. Incumbent's commission expired January 24, 1922.

MASSACHUSETTS.

James N. Young to be postmaster at Adams, Mass., in place of J. E. Cadagon, deceased.

MICHIGAN.

Elmer E. Geer to be postmaster at Halfway, Mich. Office became presidential January 1, 1922.

MINNESOTA.

Everett R. Vitalis to be postmaster at Shafer, Minn. Office became presidential April 1, 1922.

Einar S. Rydberg to be postmaster at Spooner, Minn. Office became presidential April 1, 1922.

Carl G. Hertig to be postmaster at Buffalo Lake, Minn., in place of E. W. Rebstock, removed.

John S. Stensrud to be postmaster at Canby, Minn., in place of J. S. Stensrud. Incumbent's commission expired March 16, 1921.

Herman C. Rustad to be postmaster at Kerkhoven, Minn., in place of A. T. Archer. Incumbent's commission expired September 13, 1922.

MISSISSIPPI.

Neppie R. Lockwood to be postmaster at Crystal Springs, Miss., in place of C. K. Dampeer, resigned.

MISSOURI.

Albert C. Yoder to be postmaster at Rosendale, Mo. Office became presidential October 1, 1921.

Charles A. Bryant to be postmaster at Richland, Mo., in place of H. C. Murphy. Incumbent's commission expired September 5, 1922.

NEBRASKA.

Kathrene Patrick to be postmaster at Ericson, Nebr. Office became presidential April 1, 1920.

Elizabeth Rucker to be postmaster at Steele City, Nebr. Office became presidential October 1, 1922.

Wilbur B. Alexander to be postmaster at Ansley, Nebr., in place of C. W. Harris, appointee declined.

Joseph Jones to be postmaster at Carroll, Nebr., in place of Gladys Kesterson, resigned.

Sturley T. Stevens to be postmaster at Comstock, Nebr., in place of J. B. Fuller, appointee not commissioned.

Lafayette O. Roblee to be postmaster at Lewellen, Nebr., in place of L. E. Byrd, resigned.

NEW HAMPSHIRE.

Charles H. Bean to be postmaster at Franklin, N. H., in place of E. S. Avery. Incumbent's commission expired September 19, 1922.

Amos J. Dinsmoor to be postmaster at Laconia, N. H., in place of N. J. Dyer. Incumbent's commission expired September 19, 1922.

NEW JERSEY.

Horace E. Forsyth to be postmaster at Bayhead, N. J., in place of Elbert Wilbert, resigned.

Forman R. Thompson to be postmaster at Matawan, N. J., in place of P. J. Devlin. Incumbent's commission expired October 24, 1922.

NEW YORK.

Jennie E. Carroll to be postmaster at Cuylerville, N. Y. Office became presidential July 1, 1922.

William D. Carpenter to be postmaster at Hagaman, N. Y. Office became presidential July 1, 1922.

Rhoda E. Jackson to be postmaster at Wantagh, N. Y. Office became presidential October 1, 1922.

Thomas J. Hamer to be postmaster at Lacona, N. Y., in place of W. W. Wilcox. Incumbent's commission expired May 24, 1920.

NORTH CAROLINA.

Allen R. Edwards to be postmaster at Bladenboro, N. C., in place of A. A. Hilburn. Incumbent's commission expired September 5, 1922.

John G. King to be postmaster at Burlington, N. C., in place of O. F. Crowson. Incumbent's commission expired September 5, 1922.

Clyde G. Mullen to be postmaster at Lincolnton, N. C., in place of J. K. Cline. Incumbent's commission expired September 5, 1922.

David Smith to be postmaster at Whiteville, N. C., in place of A. E. Powell. Incumbent's commission expired September 5, 1922.

NORTH DAKOTA.

Burt E. Stewart to be postmaster at Minot, N. Dak., in place of F. L. Anderson. Incumbent's commission expired August 22, 1920.

Ettephina C. W. Winkler to be postmaster at Montpelier, N. Dak., in place of Mamie Peterson, resigned.

OHIO.

Alonzo Keeton to be postmaster at Excello, Ohio. Office became presidential October 1, 1922.

Henry H. Harvey to be postmaster at Kenton, Ohio, in place of C. W. Smith, removed.

Gueth W. Repp to be postmaster at Pioneer, Ohio, in place of W. G. Haviland, resigned.

Elsie M. Smith to be postmaster at Sharonville, Ohio, in place of E. M. Smith. Incumbent's commission expired September 19, 1922.

OKLAHOMA.

Lan A. Avenett to be postmaster at Goodwell, Okla. Office became presidential January 1, 1921.

Harry Andrews to be postmaster at Marland, Okla. Office became presidential July 1, 1922.

Ernest C. Werrell to be postmaster at Depew, Okla., in place of F. C. Knapp, resigned.

Milton M. Bay to be postmaster at Morris, Okla., in place of L. A. Beamer. Incumbent's commission expired September 13, 1922.

OREGON.

Mart Griffin to be postmaster at Umatilla, Oreg. Office became presidential April 1, 1922.

PENNSYLVANIA.

Samuel H. Bubb to be postmaster at McClure, Pa. Office became presidential July 1, 1922.

John T. Ritter to be postmaster at Carnegie, Pa., in place of N. F. Barrett, removed.

Joseph L. Roberts to be postmaster at Sharon, Pa., in place of J. T. Kennedy. Incumbent's commission expired September 26, 1922.

Joseph C. Scowden to be postmaster at Tionesta, Pa., in place of G. G. Gaston, resigned.

Harry V. Gibson to be postmaster at West Middlesex, Pa., in place of W. C. Kemp, removed.

SOUTH CAROLINA.

John D. Heidtman to be postmaster at Sumter, S. C., in place of T. S. Doar, removed.

TENNESSEE.

Byrd P. Allison to be postmaster at Gallatin, Tenn., in place of R. W. Caldwell. Incumbent's commission expired March 25, 1918.

Joseph C. Hale to be postmaster at Winchester, Tenn., in place of Henry Estill. Incumbent's commission expired March 1, 1922.

TEXAS.

James S. Mewhinney to be postmaster at Buckholts, Tex., in place of J. B. Rector. Incumbent's commission expired September 5, 1922.

Lou Gammill to be postmaster at Calvert, Tex., in place of Maxey McCrary. Incumbent's commission expired September 5, 1922.

Rebecca White to be postmaster at Carbon, Tex., in place of E. T. Gilbert. Incumbent's commission expired September 5, 1922.

Joseph Wren to be postmaster at Normangee, Tex., in place of Joe Wren. Incumbent's position expired September 5, 1922.

Gustave Natho to be postmaster at Skidmore, Tex., in place of J. J. Jenkins. Incumbent's commission expired September 5, 1922.

Mary A. Haskell to be postmaster at Stockdale, Tex., in place of J. J. Sutton. Incumbent's commission expired September 5, 1922.

VIRGINIA.

John N. Coffman to be postmaster at Edinburg, Va., in place of J. H. Massie. Incumbent's commission expired September 13, 1922.

William S. Sparrow to be postmaster at Onley, Va., in place of J. W. Kellam, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate December 18 (legislative day of December 16), 1922.

COMPTROLLER OF CUSTOMS.

Clinton O. Richardson to be comptroller of customs in customs collection district No. 13, headquarters, Baltimore, Md.

POSTMASTERS.

NEW YORK.

Harry P. Maxson, Adams Center.

Donald A. Scott, Caledonia.

Howard F. Fleming, Gardiner.

Ralph J. Borden, McGraw.

Walter J. Burke, Mineville.

Maud E. Butterfield, New Berlin.

Helena Swackhamer, Schenectady.

Dexter S. Slack, Speculator.

George O. Leonard, Stamford.

WYOMING.

Harold T. Duffy, Wheatland.

HOUSE OF REPRESENTATIVES.

MONDAY, December 18, 1922.

The House met at 12 o'clock noon and was called to order by Mr. LONGWORTH as Speaker pro tempore.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, our heavenly Father, Thou hast not promised us joy without affliction, calm without the storm, nor the sun without the cloud. But blessed be Thy holy name, Thou hast vouchsafed unto us sympathy, strength, and unflinching love. O, then, let Thy light be our guide, Thy service our delight, and Thy peace our richest blessing. To-day direct our words that they may do no harm, and may our hearts feel no wrong desires. Let our labors be for our country's good and our acts a help to our fellow men. In Thy name. Amen.

The Journal of the proceedings of Saturday was read and approved.

INCOMES FROM SECURITIES.

Mr. GARNER. Mr. Speaker—

The SPEAKER pro tempore. For what purpose does the gentleman from Texas rise?

Mr. GARNER. Mr. Speaker, I desire to ask unanimous consent to insert in the Record to-day the joint resolution that will be considered to-morrow with an amendment which I expect to offer at the proper time, so the House may have the entire matter before it to-morrow.

Mr. GREEN of Iowa. Mr. Speaker, I think that is very proper.

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent to extend his remarks in the Record in the way indicated. Is there objection? [After a pause.] The Chair hears none.

The amendment is as follows:

Page 1, line 13, after the word "income," strike out the remainder of the section and insert "which the United States has power to tax."

Page 2, line 9, after the word "income," strike out the remainder of the section and insert "which the United States has power to tax."

The joint resolution as amended would read as follows:

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —.

"SECTION 1. The United States shall have power to lay and collect taxes on income derived from securities issued, after the ratification of this article, by or under the authority of any State, but without discrimination against income derived from such securities and in favor of income derived from securities issued, after the ratification of this article, by or under the authority of the United States or any other State which the United States has power to tax.

"SEC. 2. Each State shall have power to lay and collect taxes on income derived by its residents from securities issued, after the ratification of this article, by or under the authority of the United States; but without discrimination against income derived from such securities and in favor of income derived from securities issued, after the ratification of this article, by or under the authority of such State which the State has power to tax."

MESSAGE FROM THE SENATE.

A message from the Senate by Mr. Craven, its Chief Clerk, announced that the Senate had passed joint resolution (S. J. Res. 255) for the relief of sufferers from fire in the city of Astoria, Oreg., and as it is an emergency matter; in which the concurrence of the House of Representatives was requested.

SENATE JOINT RESOLUTION REFERRED.

Under clause 2, Rule XXIV, Senate Joint Resolution 248 to provide for the payment of salaries of Senators appointed to fill vacancies, and for other purposes, was taken from the Speaker's table and referred to the Committee on Election of President, Vice President, and Representatives in Congress.

CONSOLIDATION OF STATISTICS, FOREIGN COMMERCE, DEPARTMENT OF COMMERCE (S. DOC. NO. 276).

Mr. GREEN of Iowa. Mr. Speaker, I desire to present a conference report on the bill (S. 3295) to consolidate the statistics of foreign commerce in the Department of Commerce. The parliamentary clerk has the report.

The SPEAKER pro tempore. The Clerk will report the title of the bill.

The Clerk read as follows:

A bill (S. 3295) to consolidate the work of collecting, compiling, and publishing statistics of foreign commerce of the United States in the Department of Commerce.

The SPEAKER pro tempore. Ordered printed under the rule.

Mr. GREEN of Iowa. Mr. Speaker, I desire also to present a unanimous consent request in connection with it. This was a Senate bill which was passed by the House that made amendments in date made necessary by the time that had elapsed before getting it through the House. The Senate at first disagreed to those amendments. Now, as the conference report will show, the Senate has receded entirely, and I ask unanimous consent that the conference report be read for the purpose of immediate consideration.

The SPEAKER pro tempore. The gentleman from Iowa presents a conference report and asks unanimous consent that it be now considered. Is there objection?

Mr. STAFFORD. Reserving the right to object, I think we will have better expedition by following the rule of printing it in the RECORD and have it go over until to-morrow.

The SPEAKER pro tempore. Ordered printed under the rule. The conference report and statement are as follows:

CONFERENCE REPORT.

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3295) to consolidate the work of collecting, compiling, and publishing statistics of the foreign commerce of the United States in the Department of Commerce, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, and 3, and agree to the same.

J. W. FORDNEY,
W. R. GREEN,
W. C. HAWLEY,
JNO. N. GARNER,
J. W. COLLIER,

Managers on the part of the House.

W. L. JONES,
KNUTE NELSON,
DUNCAN U. FLETCHER,

Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3295) to consolidate the work of collecting, compiling, and publishing statistics of the foreign commerce of the United States in the Department of Commerce, submit the following written statement:

The Senate has receded from its disagreement to the amendments of the House.

J. W. FORDNEY,
W. R. GREEN,
W. C. HAWLEY,
JNO. N. GARNER,
J. W. COLLIER,

Managers on the part of the House.

EXTENSION OF REMARKS.

Mr. DOWELL. Mr. Speaker, I make the point of order there is no quorum present.

Mr. HARDY of Texas. Will the gentleman withhold that until I ask unanimous consent. I want to ask unanimous consent to insert in the RECORD a letter I have received from Mr. Winthrop L. Marvin, asking me to place the letter in the RECORD.

Mr. STAFFORD. To what does the letter refer?

Mr. HARDY of Texas. Mr. Marvin thinks I did not fairly represent him in my speech on the ship subsidy bill, and I wish at his request to place the letter in the RECORD and my reply to it.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

Mr. HARDY of Texas. Mr. Speaker, I submit for the RECORD the following letters:

AMERICAN STEAMSHIP OWNERS' ASSOCIATION,
New York, December 12, 1922.

Hon. RUFUS HARDY,
House of Representatives, Washington, D. C.

DEAR SIR: Not until to-day did I learn from your speech of November 25, published December 4, that in that address you had made a reference to me, in connection with an assertion by you that "I do not believe there was a paragraph in this bill that was not framed

by the Steamship Owners' Association and sponsored by them," as follows:

"Mr. HARDY of Texas. Let me say right here that Winthrop L. Marvin was introduced before our committee and an article was read written by him in which he claimed most of the credit of having written the bill, and he boasted of his handiwork."

I wish to say that this statement is absolutely without foundation. Before your Merchant Marine Committee, at the public hearings April 27, page 1014, I said:

"I would like to explain to the committee, because in reading the testimony I have noticed here and there a suggestion that I was one of those who drafted the bill; that I had nothing whatever to do with the drafting of the bill that has been laid before you; that I was not consulted with reference to a single line in the bill. I would have been glad to be consulted, possibly; but I was not consulted, and I never saw the bill until it was published in the New York newspapers."

Instead of having "written the bill" and having "claimed most of the credit" of having written the bill, as you assert, it is a matter of public record before your committee that I did not write a line of the measure and did not see it when it was in process of preparation. I was asked to give my opinions, as others supposed to have some technical knowledge were, and did give those opinions. But with the actual framing of the bill I have already declared, and declare again, that I had absolutely no connection whatsoever. That the shipping bill was not dictated by the Steamship Owners' Association is instantly apparent to anyone who compares the bill with the views and recommendations of the association as submitted to your committee April 26 and 27 last in response to its formal invitation. The bill does not include and never has included many of the suggestions that were proposed. It does include and has included many features unsuggested and unheard of by us, and at some points it runs directly contrary to our recommendations.

You have so gravely misrepresented my position that I must ask you to do me the justice of inserting this letter in the RECORD of the House of Representatives.

Sincerely yours,

WINTHROP L. MARVIN,
Vice President and General Manager.

DECEMBER 15, 1922.

Mr. WINTHROP L. MARVIN,
Vice President American Steamship Owners' Association,
11 Broadway, New York.

DEAR SIR: Your letter of December 12 received. I very gladly place that part of it in the RECORD which relates to my speech. I certainly do not wish to do you any injustice by giving you too much or too little credit as to the subsidy bill. The error you complain of in the sentence you quote from my speech was corrected in the colloquy that followed immediately between Messrs. Edmonds, Nelson, and myself. Of course I do not mean that you literally wrote the bill. The whole of the sentence complained of and the colloquy referred to is as follows:

Mr. HARDY of Texas. Let me say right here that Winthrop L. Marvin was introduced before our committee and an article was read, written by him, in which he claimed most of the credit of having written the bill, and he boasted of his handiwork.

Mr. J. M. NELSON. Was there not a committee of shipbuilders and ship operators that went before the Shipping Board—I do not know whether it came before your committee or not—and formulated a specific series of demands? And are they not practically all incorporated in the bill?

Mr. HARDY of Texas. The gentleman is right, and Winthrop L. Marvin's testimony shows that this bill was gotten up for and by the United States Ship Owners' Association, of which he was the paid representative, with the assistance, I do not doubt, of able men like my friend from Pennsylvania. [Applause and laughter.]

Mr. EDMONDS. No steamship owners' association assisted me in framing the bill.

Mr. J. M. NELSON. It is recorded in the Journal of Commerce, and you will find it in the library, that this shipowners' association did meet with the gentleman from Pennsylvania. His name is specifically mentioned, as well as that of the chairman of the other committee, and they discussed these demands with him.

Mr. EDMONDS. That is true.

Mr. HARDY of Texas. The real fact is that this is the shipowners' bill.

Mr. EDMONDS. I want to say to the gentleman right now that the 10 per cent limitation was put in by myself. It was never suggested by the shipowners.

Mr. HARDY of Texas. What limitation?

Mr. EDMONDS. The 10 per cent limitation on profits.

Mr. BANKHEAD. That was very kind of you.

Mr. HARDY of Texas. Oh, I do not doubt there is some little trimming here and there, some little something that you did not get from them; but ask Winthrop L. Marvin and he will say that substantially all the demands of the shipowners' association are in this bill and that 10 per cent limitation you speak of is one I would be ashamed to father. Why, it requires the Government to subsidize ships up to 10 per cent net profit, and the Esch railroad bill had been damned by the people because it directs the Interstate Commerce Commission to let the railroads earn a 6 per cent profit.

Mr. EDMONDS. There are 15 or 20 sections of this bill written by the subcommittee that aided me in drafting the bill—the subcommittee of the Committee on the Merchant Marine and Fisheries.

Mr. HARDY of Texas. We talk to those favoring a measure and get their views and demands and become so permeated with their views and desires that they might just as well be handling the pen as you or me. [Applause.]

That is what I said about the matter in my speech you complain of. Now, since I am putting your letter in the RECORD and the colloquy also I will comment briefly.

Mr. EDMONDS, of Pennsylvania, claims some credit, I think justly, for the actual framing and writing of the bill and especially for the 10 per cent limitation clause.

This clause is the one providing that when any owner of a subsidized ship makes in any one year exceeding 10 per cent profit one-half of the excess shall be paid back into the ship subsidy or merchant marine fund (not into the United States Treasury) until the entire amount of the subsidy received by that ship in the year is paid into that fund. It seems that if a certain ship costing

\$1,000,000 should receive during the year \$10,000 in subsidy and that ship should earn during that year \$20,000 net profit after allowing for all overhead and interest, depreciation, and repairs, then it would pay back into the subsidy fund \$5,000 to be used for the payment of subsidies to other ships. Knowing the ability of great corporations in bookkeeping and in shuffling and shifting of the profit and loss account and capital account I think the whole provision is simply a delusion or fraud, if that is not too harsh a term to use.

In order to determine whether the sentence in my speech which Mr. Marvin complains of really does him any injustice I present the following extracts from the hearings before the committee:

"Mr. DAVIS. You, of course, holding the position you have for the past two or three years, have taken a very considerable interest in the Government merchant marine and Shipping Board affairs?"

"Mr. MARVIN. I have."

"Mr. DAVIS. You have kept up with it pretty well and have undertaken to keep your association members advised of that situation? Now it was upon the recommendation of you or your association that Mr. Lasker appointed the three experts, Messrs. Love, Schmull, and Frey, was it not, Mr. Marvin?"

"Mr. MARVIN. We favored the appointment of these gentlemen."

"Mr. DAVIS. You were requested to select certain men whom you could recommend, and you did select and recommend those gentlemen and they were appointed?"

"Mr. MARVIN. We believed that they were eminently fit for this important post. We recommended their appointment and Chairman Lasker, after his appointment, conferred with the shipping men of New York and of other cities with regard to those technical posts."

"Mr. LISSNER. That is not a fair statement to say that they selected those men, though. I do not think that Mr. Marvin will say that."

"Mr. MARVIN. No; I will not say that, I simply say that we favored their appointment. The choice of these gentlemen was entirely by the Shipping Board."

"Mr. DAVIS. I will ask you if you were not requested to make recommendations of men for those positions?"

"Mr. MARVIN. Yes, we were asked to designate to the Government gentlemen of experience and capacity in the shipping business for these important positions."

"Mr. DAVIS. And thereupon you did designate and recommend those three gentlemen?"

"Mr. MARVIN. These three gentlemen were among those whom we named to the Government as worthy of these responsibilities. Other names were considered."

"Mr. DAVIS. Did you recommend any other names or were you requested to?"

"Mr. MARVIN. We recommended other gentlemen also as worthy of consideration by the Government."

"Mr. DAVIS. You, of course, have been called into consultation frequently by Chairman Lasker and others connected with the Shipping Board, have you not?"

"Mr. MARVIN. As occasion required, not frequently."

"Mr. DAVIS. You were on the committee, as has been shown, that got together the data and details for the compilation of the studies and the preparation of the bill?"

"Mr. MARVIN. Yes, sir."

"Mr. DAVIS. Now you wrote an article that was published in April, 1922, number of Marine Engineering, under the title of 'The merchant marine bill of 1922 analyzed. One of the experts who assisted the Shipping Board in framing the bill outlines its merits. By Winthrop L. Marvin?'"

"Mr. MARVIN. Yes, sir. I would like to say on that point, Judge, you have probably sometimes observed the poetic license indulged in by the writers of headlines. I had nothing to do with the latter part of the statement and I think most of the committee thoroughly understand that."

"Mr. DAVIS. You speak so low that I can not catch your answer."

"Mr. MARVIN. I had nothing to do with the framing of the bill as I have already stated to the committee, perhaps quite unnecessarily, because I think the committee generally understands that I had nothing to do with the framing of the bill."

"Mr. DAVIS. Not being a lawyer, you were not called upon to aid in drafting the bill."

"Mr. MARVIN. No."

"Mr. DAVIS. However you did discuss with them in the discussions that were held by the committee with regard to the policies to be embodied in the bill, did you not?"

"Mr. MARVIN. The committee was appointed for the purpose—and I hoped fulfilled the purpose—of gathering data in the way of information and of making suggestions as to the best methods of upbuilding the American merchant marine."

"Mr. DAVIS. And you did discuss with them the provisions which were ultimately embodied in the bill, did you not?"

"Mr. MARVIN. I discussed with my fellow committeemen; yes, surely."

"Mr. DAVIS. And you gentlemen in that discussion discussed the various aids, direct and indirect, which you thought should be embodied in the bill?"

"Mr. MARVIN. We went over the whole field, so far as that was humanly possible."

"Mr. DAVIS. And then did you make a general recommendation as to what should be embodied in the bill?"

"Mr. MARVIN. There was an agreement among the committee as to certain policies, certain ideas, general lines to be followed in the building up of the merchant marine. That was the duty for which we were appointed."

"Mr. DAVIS. Now, in this article appears the following, in part:

"A second important amendment of the Jones Act is provided in the new bill by the specific naming of the sum of \$125,000,000 as a construction fund which may be availed of either for the building of vessels of the best and most efficient type, equipped with the most modern, the most efficient, and the most economical machinery and commercial appliances, or in the equipment of vessels already built with machinery and commercial appliances of the type and kind mentioned. Under this provision it is anticipated that powerful aid will be given to the construction of fast liners, in which we are so notably deficient, and to the construction or equipment of motor ships. This is a fair interpretation of the purpose in the minds of the authors of the present measure. Very liberal are the limitations that no loans shall be for a greater sum than two-thirds of the cost of the vessel to be constructed or of the value of the vessel when thus equipped."

nor shall any loan be made at a rate of interest less than 2 per cent per annum."

"Mr. DAVIS. In the same article, and referring to the deduction from the taxes of the freight money paid by shippers shipping in American bottoms, you state, 'This is an ingenious new departure intended to serve the purpose of a part of the preferential duties of the original Jones Act, but as a matter of fact it is far more valuable and effective, for it would apply to all merchandise dutiable or free, inward or outward.'"

"The provisions of the original Jones Act to which you refer is section 34?"

"Mr. MARVIN. Section 34; yes, sir."

"Mr. DAVIS. Which both Presidents felt it inadvisable to enforce?"

"Mr. MARVIN. Yes, sir."

"Mr. DAVIS. You further state:

"These elastic features of the compensation portion of the bill, together with the limitation on profits in one of the paragraphs of section 702, are unique in American shipping legislation. A State-aided ship may not realize a net operating profit of more than 10 per cent. This is a legislative experiment that may prove unwise in its results, though it will undoubtedly facilitate the passage of the bill by Congress. Mid-Western Senators and Representatives are frankly recognizing this new bill as 'something different,' the words 'something different' being in quotation marks, and as satisfying their scruples against excessive subsidies. However reluctant the seacoast States may be to recognize this statutory limitation, it may perhaps prove to be the winning of the law."

"Now, your committee discussed a good deal about what provisions would appeal to the public and aid in winning the bill, did you not?"

"Mr. MARVIN. Certainly all practical men, Judge—and I need not say so to you, who are practical men—give great weight to such considerations, and rightly so, as I believe."

"Mr. DAVIS. Then later in the article you say under one of the provisions under section 701:

"Oil-tank carriers and like craft owned by great producing companies are required to hold open until 10 days before sailing substantially one-third of their cargo capacity for use as common carriers in order to be eligible to the compensation provided. Here, again, a provision is manifestly inserted to smooth the passage of the bill to meet objections certain to be raised by a certain class of lawmakers, etc."

From the foregoing I really invite the reader to draw his own conclusions as to whether the subsidies of the bill was or was not devised by Mr. Marvin or his employers, the American Steamship Owners' Association."

As to the claim in your letter that the bill is at some points directly contrary to your association's recommendations, I can only say that none of you tried to get any changes in the bill, so far as I know. The only change suggested by any of you was that perhaps the basic subsidy ought to be larger. That, I think, is amply met by the provision that the board can double the basic subsidy if they wish to do so. A board so kindly to your association, I think, would not hesitate to double the subsidy "in a proper case." Some of you also may have objected to Mr. EDMONDS' ingenious 10 per cent limitation of profits clause, but I don't think they did. Certainly not seriously. It will never worry them, and may help pass the bill, as you suggested in your article."

Very truly,

RUFUS HARDY.

Mr. DOWELL. Mr. Speaker, I renew my point of order.

Mr. SEARS. Will the gentleman withhold that until I can correct the Record?

The SPEAKER pro tempore. It is clear there is no quorum present.

Mr. MONDELL. I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

Almon	Focht	McLaughlin, Nebr.	Sabath
Anderson	Freeman	McLaughlin, Pa.	Sanders, N. Y.
Anson	Prothingham	McPherson	Schall, Minn.
Anthony	Gallivan	Maloney	Shaw, Ill.
Arentz	Garrett, Tex.	Mead	Shreve
Blakeney	Gorman	Michaelson	Stegel
Bland, Ind.	Gould	Mills	Sinnott
Bond	Graham, Pa.	Montague	Sisson
Bowers	Griffin	Moore, Ill.	Smith, Mich.
Brand	Hammer	Morin	Snyder
Brennan	Henry	Mudd	Stiness
Britten	Herrick	Newton, Minn.	Stoll
Brooks, Ill.	Hicks	Newton, Mo.	Sullivan
Brooks, Pa.	Hill	O'Brien	Sweet
Burke	Himes	Olpp	Tague
Cable	Husted	Osborne	Taylor, Ark.
Campbell, Kans.	Hutchinson	Overstreet	Taylor, N. J.
Campbell, Pa.	Jacoway	Paige	Taylor, Tenn.
Cantrill	James	Park, Ga.	Ten Eyck
Chandler, Okla.	Jeffers, Ala.	Parker, N. Y.	Tillman
Clark, Fla.	Johnson, Miss.	Paul	Tinkham
Classon	Jones, Pa.	Perkins	Tucker
Codd	Kahn, Calif.	Perlman	Valle
Cole, Ohio	Kendall	Petersen	Vare
Collins	Kennedy	Porter	Vestal
Connolly, Pa.	Kiess	Radcliffe	Voigt
Cullen	Kindred	Rainey, Ala.	Volk
Davis, Minn.	Kirkpatrick	Rainey, Ill.	Volstead
Deal	Kitchin	Ramseyer	Walters
Dempsey	Klecza	Reber	Ward, N. Y.
Drane	Knight	Reed, N. Y.	Watson
Drewry	Kreider	Reed, W. Va.	Weaver
Driver	Kunz	Rhodes	Wheeler
Dunbar	Langley	Riddick	Williams, Tex.
Dunn	Layton	Riordan	Williamson
Dyer	Lee, Calif.	Robertson	Wise
Echols	Lee, Ga.	Rodenberg	Wood, Ind.
Edmonds	Lee, N. Y.	Rosenbloom	Woodward
Fairchild	Lucy	Rosedale	Zihlman
Fish	McFadden	Ryan	

The SPEAKER pro tempore. Two hundred and seventy gentlemen have answered to their names. A quorum is present.

Mr. MONDELL. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

Mr. WINGO. Mr. Speaker, I desire to submit a unanimous-consent request. On the 12th day of this month the court rendered a decision in the case that is known to the tax commissioners and bankers of the United States as the Hanover case in regard to the tax on shares of stock in national banks. I ask unanimous consent that the decision be printed in the RECORD in 8-point type, as it is of interest and in general demand by State taxing commissioners and by the national banks of the country. I do not put it in with any view of approving or condemning the decision, but for the reasons I have given so as to be available.

The SPEAKER pro tempore. The gentleman from Arkansas asks unanimous consent to print in 8-point type the decision referred to. Is there objection?

Mr. STAFFORD. Reserving the right to object, I do not know that I shall, I would like to inquire of the ranking Democratic member of the Committee on Banking and Currency as to the status of the House bill which passed the House some time ago to relieve that situation?

Mr. WINGO. That bill is in the Senate. This decision I have just referred to was handed down in New York and is subsequent to the decision of the Supreme Court in the so-called Richmond case. It goes into the question very clearly and cites the authorities and there is quite a demand for the decision. I have only been able to get hold of the decision this morning, as I happened to meet one of the attorneys in the case.

Mr. SNELL. What is the date of that?

Mr. WINGO. December 12, 1922.

Mr. STAFFORD. The decision was printed almost in full in last Thursday's issue of the New York Times. But I have no objection to printing it.

Mr. WINGO. The gentleman will appreciate why I want to have it in the RECORD.

Mr. STAFFORD. I am more concerned by the fact that the Senate has not responded to the relief of the States in accordance with the House proposition. I am with the gentleman on that, or on one portion of it.

Mr. WINGO. No; on one question we are not agreed.

Following is the decision referred to:

(Decision.)

DECEMBER 12, 1922.

TAX ON CAPITAL STOCK OF NATIONAL BANKS INVALID.

Opinion reported here because of its collateral bearing on the including of dividends on national-bank stock in gross income for income-tax purposes.

COURT OF APPEALS—PEOPLE EX REL. HANOVER NATIONAL BANK, OF THE CITY OF NEW YORK, APPELLANT, v. HENRY M. GOLDFOGLE ET AL., RESPONDENTS.

Appeal from order of the appellate division, first department, affirming order of special term dismissing writ to review tax assessment.

Martin Saxe for appellant.

William H. King for respondents.

Charles D. Newton, attorney general (Edward G. Griffin of counsel), for State of New York, intervening.

Pound, J.: Relator, a banking corporation organized under the national banking act of the United States, seeks to review an assessment of its capital stock for taxation for the year 1921 on the ground that taxation thereof by the State is at a greater rate than is assessed on other moneyed capital in the hands of individuals. A national bank is an agency of the National Government. The State has no constitutional power to lay any tax upon it. Its shares of stock are taxable by the State only when and as Congress permits. (*McCulloch v. Maryland*, 4 Wheat. 316; *People ex rel. Bridgeport Sav. Bank v. Feltner*, 191 N. Y. 88, 92; *Van Allen v. Assessors*, 3 Wall. [U. S.] 573.)

Section 5214 of the Revised Statutes of the United States (U. S. Comp. St., sec. 9779) imposes upon national banks the obligation to pay to the Treasurer of the United States certain duties "in lieu of all existing taxes," and section 5219 (U. S. Comp. St. sec. 9784; *Barnes Fed. Code*, sec. 9256) provides that nothing contained in the Federal "national bank act" (13 Stat. 99) shall prevent "all the shares in any association from being included in the valuation of the personal property of the owner or holder of such shares in assessing taxes imposed by authority of the State within which the association is located; but the legislature of each State may determine and direct the manner and place of taxing all the shares of national banking associa-

tions located within the State, subject only to the two restrictions—that the taxation shall not be at a greater rate than is assessed upon other moneyed capital in the hands of individual citizens of such State, and that the shares of any national banking association owned by nonresidents of any State shall be taxed in the city or town where the bank is located, and not elsewhere. Nothing herein shall be construed to exempt the real property of associations from either State, county, or municipal taxes to the same extent, according to its value, as other real property is taxed." This section prescribes the full measure of the power of the State to impose taxes upon national banking associations or their shareholders. Any assessment not in conformity therewith is unauthorized and invalid. (*First Nat. Bank of Gulfport v. Adams*, 42 Sup. Ct. 323.)

The tax law of the State of New York (Cons. Laws, C. R. 60, sec. 24, enacted long before any State income tax was imposed, and repealed by chap. 603 of the Laws of 1922) provided: "In assessing the shares of stock of banks or banking associations organized under the authority of this State or the United States the assessment and taxation shall not be at a greater rate than is made or assessed upon other moneyed capital in the hands of individual citizens of this State." * * *

The tax law also provides for a tax of 1 per cent on the book value of shares of stock in all banks and banking associations (sec. 24b), and that such tax (sec. 24c) "shall be in lieu of all other taxes whatsoever for State, county, or local purposes upon the said shares of stocks, and mortgages, judgments, and other choses in action and personal property held or owned by banks or banking associations the value of which enters into the value of said shares of stock shall also be exempt from all other State, county, or local taxation."

This tax of 1 per cent is a direct tax on the shares of stock, without regard to the amount of income earned thereon, whether such income has been retained as surplus or distributed as dividends.

The personal income tax law (L. 1919, ch. 627; Tax Law, sec. 352), adopted as part of a new program of tax reform, imposes upon every resident of the State of New York an annual tax upon his net income of from 1 to 3 per cent. Such taxes "are in addition to all other taxes imposed by law, except that money on hand or on deposit with or without interest, bonds, notes, and choses in action, and shares of stock in corporations other than banks and banking associations, owned by any individual or constituting a part of a trust or estate subject to the income tax imposed by this article, shall not after July 31, 1919, be included in the valuation of the personal property included in the assessment rolls of the several tax districts, villages, school districts, and special tax districts of the State."

The statute further provides (L. 1920, ch. 647; Tax Law, sec. 4a): "Notwithstanding any provision of this chapter or of any other general, special, or local law, intangible personal property, except shares of stock of banks or banking associations, whether referred to as personal property, capital, capital stock, or otherwise, after June 30, 1920, shall be exempt from taxation locally for State or local purposes. This exemption shall be in addition to all other exemptions of personal property from local taxation, whether based upon the character, ownership, or amount of property. The term 'intangible personal property,' as used in this section, means incorporeal property, including money, deposits in banks, shares of stock, bonds, notes, credits, evidences of an interest in property, and evidences of debt."

Shares of stock in banks and banking associations, both State and national, are thus subject to a 1 per cent valuation tax. Certain other corporations are subject to franchise taxes, but moneyed capital in the hands of individuals is exempt from taxation locally for State or local purposes.

A long line of decisions of the Supreme Court of the United States defines the business of banking and holds that the words "moneyed capital in the hands of individual citizens" includes moneys invested in private banking houses such as *J. P. Morgan & Co.*, *Kuhn, Loeb & Co.*, and others, together with investments of individuals in securities that represent money at interest and other evidences of indebtedness such as normally enter into the business of banking. The National Government permits State taxation only on terms of substantial equality in law and in fact, and entire fairness and friendliness. The tax on national bank shares must not discriminate in favor of moneyed capital entering into competition with the national banks. (*Evansville Bank v. Britton*, 105 U. S. 322; *Mercantile Bank v. New York*, 121 U. S. 138; *Aberdeen Bank v. Chehalis Co.*, 166 U. S. 440; *Owensboro National Bank v. Owensboro*, 173 U. S. 664, 676; *Amoskeag Savings Bank v. Purdy*, 231 U. S. 373; *Merchants' National Bank of Richmond v. City of Rich-*

mond, 256 U. S. 635.) The court below has found that the competing capital in the hands of individuals, subject only to the personal property income tax, is very large. "If the principle of substantial equality of taxation under State authority, as between capital so invested and other moneyed capital in the hands of individual citizens however invested, operates to disturb the peculiar policy of some of the States in respect to revenue derived from taxation, the remedy therefor is with another department of the Government, and does not belong to this court." (*Boyer v. Boyer*, 113 U. S. 689, 703.)

The first question is whether the State of New York discriminates against national bank shares by imposing a tax both on the shares and the dividends, while it imposes a tax on the income only of other competing capital in the hands of private bankers and other individuals. It was held below that if the direct tax and the income tax were both imposed, the discrimination would be clear. The respondent contends, by a process of statutory construction which would exclude by implication the particular from the general, that no income tax is imposed on the dividends of bank stock. The test to be applied is not whether such dividends may lawfully be included in the income of individuals taxed by the State, but whether they are in fact so included. It is urged that the State had no power to tax such income, for the reason that section 5219 of the Revised Statutes of the United States above quoted permits a tax on valuation only, and therefore that it did not tax it. (*People ex rel. Alpha P. C. Co. v. Knapp*, 230 N. Y. 48 [Addenda page 65, herein].) The language of the statute suggests no such punctilious regard for those whose income is derived from dividends on national bank shares. On the contrary, it plainly includes such dividends in gross income. Gross income includes (tax law, sec. 359) income from dividends. Dividends from stock in bank corporations owned by resident taxpayers are not included in the list of exemptions.

A clear discrimination is made against resident holders of bank shares which are taxed according to their book value, who are also taxed on their income. The shares of bank stock are taxed by one method and the dividends thereon are taxed by another method. Competing moneyed capital in the hands of individuals is exempt from taxation based on valuation and is assessed by one method, according to income only. The provisions of the law are explicit. The discrimination is unfortunately too clear to escape recognition. We can not assume that any exemption of dividends on national bank shares from the provisions of the income tax was in the legislative mind. On the contrary, the report of the special joint committee on taxation and retrenchment submitted to the legislature March 1, 1922, the opinion of the Attorney General (March 31, 1920), and the practice of the income tax bureau indicate that by legislative and administrative construction a personal tax upon dividends on the shares was contemplated and collected.

The amount of such moneyed capital in the State of New York thus exempted from taxation except on income is not inconsiderable. It is relatively of much consequence. In the city of New York in the year 1921 such competing capital was nearly twice the total capital of the State and National banks. The tax on the capital stock of national banks becomes invalid when it appears that it has become discriminatory. No way of escape from such a conclusion is open except by disregarding the rule which requires us to give a plain meaning to plain words plainly used. (*U. S. v. Goldenburg*, 168 U. S. 95, 102; *Rodgers v. U. S.*, 185 U. S. 83, 86.) The validity of the tax on dividends from national bank stock may be considered when it is assailed by a taxpayer in a proceeding in which it becomes necessary to decide that question.

But assuming for the purpose of the discussion only that dividends on national bank stock are exempt by implication from the income tax or that the tax thereon is invalid and may be disregarded, the tax on bank shares is discriminatory for another reason. The State may, so long as it observes the rule of fairness and good faith, tax national bank shares by one method while it taxes competing capital by another method, without exact uniformity or equality. (*Mercantile Bank v. New York*, supra; *People ex rel. Bridgeport Savings Bank v. Feltner*, supra.) In doubtful cases the burden may rest on the bank to establish inequality. (*Bank of Commerce v. Seattle*, 166 U. S. 463; *First National Bank of Wellington v. Chapman*, 173 U. S. 205.) Yet the rule laid down for our guidance by the Supreme Court of the United States in substance requires that the shares of the bank shall be taxed only to the same extent that other moneyed capital invested in the State is taxed. (*People v. Weaver*, 100 U. S. 539; *Boyer v. Boyer*, supra.) If the inequality is palpable, the State courts are without discretion. It becomes their duty to declare the right asserted under the Constitution of the United States and

the statute enacted by Congress in uniformity therewith and to hold the tax invalid. (*Merchants' National Bank v. City of Richmond*, supra.)

When it appears on the face of the statute that bank shares are taxed on valuation at a flat rate and that the owner of competing moneyed capital relatively material in amount is taxed on income only, the court is powerless to say that equality of taxation has been secured and injustice prevented. We are forced to compare two methods which are wholly unlike. How can equality be established or presumed as the necessary result of the taxing statutes? In a very considerable number of cases the valuation tax must inevitably be the heavier burden. It is fixed and certain. The income tax is variable and dependent on income and amount of income. It is conceivable that when returns on such capital are low, the bank stock would be taxed and the competing capital would be exempt. In no event would equality exist unless the income on competing capital were large beyond the dreams of avarice and the usual returns on investments.

The relator is entitled to the relief asked for. The orders should be reversed and the assessment vacated, with costs in all courts.—(L. S. 359 (1).)

Hiscock, Ch. J., Cardozo, McLaughlin, Crane, and Andrews, JJ., concur. Hogan, J., not voting.
Ordered accordingly.

THE PHILIPPINE ISLANDS.

Mr. GARRETT of Tennessee. Mr. Speaker, I wish to prefer a unanimous-consent request. Some months ago there was printed by unanimous consent or by resolution—I do not now recall which—as a House document, a very considerable number, several thousand copies, of what is commonly known as the Wood-Forbes report on the Philippine situation, as they found it. There has been a document prepared in the nature of a response to some phases of that. That matter was inserted in the CONGRESSIONAL RECORD some time since, but there has been a revision of the matter as it appeared in the RECORD. It is not desirable to reinsert it in the RECORD. I desire to ask unanimous consent that there be printed as a House document the usual number of copies of this matter, which is in the hands of the Resident Commissioner from the Philippine Islands [Mr. DE VEYRA].

The SPEAKER pro tempore. The gentleman from Tennessee asks unanimous consent that there be printed as a House document the matter referred to. Is there objection?

Mr. JOHNSON of Washington. Would it not be better to send it to the Printing Committee to ascertain the number that should be printed? I am not particular about it, but that would be the orderly procedure.

Mr. GARRETT of Tennessee. If the gentleman desires to take that course, all right. I have not a cost estimate.

Mr. JOHNSON of Washington. I have no objection.

The SPEAKER pro tempore. Is there objection?

There was no objection.

RELIEF OF FIRE SUFFERERS IN ASTORIA, OREG.

Mr. HAWLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk Senate Joint Resolution 255 and consider the same.

The SPEAKER pro tempore. The gentleman from Oregon asks unanimous consent to take from the Speaker's desk Senate Joint Resolution 255 and consider it. Is there objection?

There was no objection.

Mr. STAFFORD. Mr. Speaker, let it be reported.

The SPEAKER pro tempore. The Clerk will report it.

The Clerk read as follows:

Joint resolution (S. J. Res. 255) for the relief of sufferers from fire in the city of Astoria, Oreg.

Resolved, etc., That in order to relieve temporarily the suffering and the conditions resulting from the recent fire in the city of Astoria, Oreg., the Secretary of War is authorized and directed, in cooperation with the authorities of the State of Oregon and of the city of Astoria, or otherwise, to issue subsistence and supplies belonging to the Military Establishment to persons in Astoria who are in such needy circumstances and to take such temporary sanitary measures as he may deem necessary.

The SPEAKER pro tempore. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, I could not catch the reading clearly. Does this just provide for the lending of tents and supplies?

Mr. HAWLEY. It provides for furnishing them with such supplies as they have which the destitute citizens of Astoria may be in need of at this time, and for the sanitation measures necessary to relieve a distressing situation.

Mr. GARRETT of Tennessee. What character of supplies is contemplated?

Mr. HAWLEY. If the gentleman will permit me to make a statement of the general situation, I think that will answer the gentleman's inquiry.

Mr. GARRETT of Tennessee. I have no objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution?

Mr. GARRETT of Tennessee. I was reserving the right to object, but I will withhold it if the gentleman from Oregon desires to make a statement.

Mr. HAWLEY. Mr. Speaker, on Friday, December 8, 1922, at 2 o'clock in the morning a fire broke out in Astoria, Oreg., and in a few hours had utterly destroyed some 30 blocks of the city. It has done a damage, according to the recent estimates, of some \$20,000,000, and it has thrown out of employment and rendered homeless and penniless about 5,000 people. It destroyed the entire business section of the city, according to the information furnished me by the city authorities.

In a telegram signed jointly by Mayor James Bremner, Col. W. S. Gilbert, of the citizens' executive committee, and L. D. Drake, of the chamber of commerce, under date of December 13, they state:

On Friday morning last the entire business part of the city was totally destroyed by the most devastating fire in the history of the Pacific coast. Streets, water system, sewer system, and fire system in the entire devastated district are totally destroyed. Over 5,000 citizens have suffered loss of their entire property and are without employment or means of subsistence. Business is paralyzed and the city wholly without adequate means either to furnish employment or sustain its citizens who have so suffered.

The fire originated in a building built on piles. A large part of the burned area was built on piling. The streets were paved on piling. The fire spread underneath the piling, underneath the pavements, and spread rapidly in every direction. The resources that the people had who are dependent upon their business or daily labor for a livelihood are gone. All the banks, five in number, all the hotels, restaurants, and apartment houses, some 300 stores and places of business, were burned with their contents. The wires for lighting the city were melted.

The water and sewer mains and laterals in this section of the city are destroyed. The city is built on the side of a hill. Sewers come down through the burned section and the sewage is flooding the burned area from the broken sewerage pipes beneath the ruins of the buildings and streets. This creates a dangerous situation.

The people need supplies of food, although the surrounding country and towns are temporarily supplying them. The weather is very cold for that section, and food, shelter, and other necessities will be required until the city can begin reconstruction and business, plans for which are already being made. They especially need relief from the dangers caused by the destroyed sewerage system.

The Senate joint resolution provides the relief the Government has given in scores of instances where localities have suffered from the destructive activities of the elements. Many millions have been expended for the relief of the sufferers from floods on the Mississippi, Ohio, and other rivers, and from tornadoes in the Middle West; \$2,500,000 were made available for the relief of people in San Francisco suffering from the earthquake and fire in 1906; \$200,000 for relief in Salem, Mass., when that city was partly destroyed in 1914; \$800,000 was sent to Italy for the relief of her citizens in 1908. These are a few of the instances. The situation in Astoria is most distressing and the needs are urgent.

Mr. GARNER. Mr. Speaker, will the gentleman yield for a question?

Mr. HAWLEY. With pleasure.

Mr. GARNER. I notice that the Senate joint resolution originally provided for a \$3,000,000 appropriation. As I understand this resolution, it will authorize the War Department to use the funds—

Mr. HAWLEY. Or supplies—

Mr. GARNER. Now in the hands of the War Department for sanitary purposes, and that will enable you to rebuild the sewer system that you speak of. In other words, under the resolution you can spend any amount for supplies and such temporary relief for sanitary conditions; you can use \$3,000,000 worth of supplies and engineering material, and you can come to Mr. MADDEN's committee and ask for \$3,000,000 deficiency to make it up. I think there should be some limitation here as to the amount of money that it will cost the Government in order to relieve this situation. The House is entitled to know how much it will cost.

Mr. MONDELL. Mr. Speaker, will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. MONDELL. I can not quite agree with the gentleman from Texas [Mr. GARNER], who has just spoken, in his esti-

mate of the probable cost under this resolution. I agree with him that we ought to have some reasonable assurance that the cost will not be great, but I assume that the War Department would not be justified under a resolution of this character to expend any considerable sum of money. They might expend several hundred thousand dollars. I do not believe they would be justified in spending \$1,000,000, much less \$3,000,000.

Mr. GARNER. The way to protect that is for the Congress to put in some kind of definition or limitation.

Mr. MONDELL. If the gentleman will allow me, within a very short time we hope to have reports from the engineer officers of the War Department who are now on the ground as to what in their opinion it is wise for the Federal Government to do in this particular case, and I think we shall know very soon what the department's estimate is.

Mr. GARNER. Will the gentleman yield for a question?

Mr. MONDELL. I yield to the gentleman from Texas.

Mr. GARNER. As I recall, the present law authorizes the commandant of a post or the commander of a division to render relief in cases of this kind.

Mr. MONDELL. Temporary relief is what is provided here.

Mr. GARNER. I call attention to the fact that the general law authorizes that to be done at this time without this resolution. The gentleman from Wyoming recalls the fact that a few days ago there was a tremendous fire at New Bern, N. C. The gentleman from North Carolina [Mr. ABERNETHY] came to me about the matter, as a new Member, and wanted to know what to do. I told him that I thought the War Department was authorized to let these people have tents and furnish those people who were hungry with food to eat. I understand that the corps commander was doing that very thing; and I venture the assertion that at Astoria they are doing under the law as it now exists all that is temporarily demanded—that is, feeding the people and housing them as far as tents will permit.

Mr. MONDELL. I am inclined to think, as I understand this, that the War Department would not be justified in going much further.

Mr. GARNER. How far have they gone?

Mr. BYRNES of South Carolina. Mr. Speaker, I object to the present consideration of the resolution.

The SPEAKER pro tempore. The gentleman from South Carolina objects.

LAC DU FLAMBEAU BAND OF LAKE SUPERIOR CHIPPEWAS.

The SPEAKER pro tempore. The Clerk will report the next bill on the Calendar for Unanimous Consent.

The next business in order on the Calendar for Unanimous Consent was the bill (H. R. 6428) for the enrollment and allotment of members of the Lac du Flambeau Band of Lake Superior Chippewas, in the State of Wisconsin, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. CARTER. Let the bill be reported.

Mr. KELLY of Pennsylvania. Reserving the right to object, I should like to ask the gentleman in charge of the bill a question. The gentleman will recall that on last Monday I called his attention to a proposed amendment in line 4, on page 3 of the bill, giving the Indian council the right to have some voice in the sale of this timber.

Mr. ROACH. I have an amendment that I think will cure the objection which the gentleman has to this bill, by inserting on page 3, line 4, after the word "authorized" the words "by the advice and consent of the Indian council representing the band."

Mr. KELLY of Pennsylvania. That will meet the objection.

Mr. STAFFORD. Reserving the right to object—

Mr. CARTER. Reserving the right to object, I should like to ask the gentleman from Missouri about his amendment that he proposes to offer. There was so much confusion in the House that I did not hear it.

Mr. ROACH. Is the gentleman directing his inquiry to me?

Mr. CARTER. I understand an amendment is to be proposed to the bill which will provide that these Indians when their land is allotted to them may not alienate that land for 25 years without the consent of the Secretary of the Interior. Is that amendment to be proposed?

Mr. ROACH. Yes; I will state to the gentleman that such an amendment has been prepared and is now held by the gentleman from Wisconsin. While I do not believe it is necessary, as I stated to the House when this bill was up before that the general law covered that, yet in order to make it

absolutely certain that there would be no doubt concerning the matter an amendment has been prepared along that line and will be offered.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. I have some little acquaintance with this land up in the Lac du Flambeau country—of course, not as much acquaintance with it as my colleague [Mr. A. P. NELSON], who represents that district—but I should like to know why we should create a new roll composed largely of infants, when within 12 or 15 years the last roll was created and the land allotted to those then 21 years of age? This land has a good marketable value, not only for the timber but for summer-resort purposes if sold by these allottees. The northern Wisconsin lake region is becoming much sought after for resort purposes. As a citizen and taxpayer of Wisconsin I am not willing to have these Indians deprived of their lands and have them thrown upon the patrimony of the State. There should be some showing made why there should be a new roll and why it is to the interest of these 450 infants to be now constituted allottees and ultimately thrown upon the charity of the State.

Mr. BLANTON. I ask for the regular order, Mr. Speaker.

The SPEAKER pro tempore. The regular order is demanded. The regular order is, Is there objection to the present consideration of this bill?

Mr. STAFFORD. For the time being I object.

Mr. BLANTON. I withdraw the demand for the regular order, Mr. Speaker.

Mr. A. P. NELSON. I trust the gentleman from Wisconsin will not object.

Mr. SANDERS of Indiana. If I understand, the gentleman from Texas withdraws his demand for the regular order.

Mr. BLANTON. I withdraw it if the gentleman wants to discuss it further.

Mr. STAFFORD. Mr. Speaker, I reserve my objection.

Mr. ROACH. I wish to state to the gentleman from Wisconsin that this is not an attempt to make up a new roll, but to complete and make final the roll of this particular tribe or band of Indians.

Mr. STAFFORD. Upon what does the gentleman base that statement?

Mr. ROACH. The former allotment was made to the adults of this tribe, and it is now proposed by this bill to complete the roll by allotting the remainder of the land to the new-born Indians, born since the former allotment in 1903. It would benefit directly something like 450 Indians, born since the roll was made up, and complete and make final the roll as to this particular tribe of Indians. It would put their affairs in final shape.

Mr. STAFFORD. Will the gentleman permit me? When the original roll was made up everyone of age in that band of Indians received an allotment.

Mr. ROACH. I believe that is true.

Mr. STAFFORD. And naturally Indians have been born since.

Mr. ROACH. Does not the gentleman think that would be right?

Mr. STAFFORD. I do not know that they should receive an allotment if the parents received the original allotment.

Mr. ROACH. But they did not.

Mr. STAFFORD. Oh, yes; they did, and the property was well invested and is now valuable by reason of the growing timber that can be sold for the benefit of the entire tribe. Why tie it up by now making allotments to infants. I can see no reason for it.

Mr. CARTER. Will the gentleman yield to me? On the last unanimous-consent day I objected to this bill for the very reason which the gentleman from Wisconsin [Mr. STAFFORD] now objects, to wit, that if this land was allotted to the Indians without any restriction the Indians might dispose of the land and become a charge on the Federal Government, as has been the case in the past.

I insisted that some restriction should be put in the bill as to alienation and exemption from taxation which the bill on its face did not carry. It was claimed that the alienation would fall under the general allotment act, but I am not sure about that. On consultation with the gentleman in charge of the bill I was assured that an amendment would be placed in the bill requiring restrictions from alienation for 25 years and exemption from taxes in the usual customary way of allotment to Indians. This bill is one process of working out the Indian problem, to wit, the Indian is brought in and settled on a reservation and becomes civilized enough to take an allotment. Then the next step is to make the allotment.

Mr. STAFFORD. They are infants, and the purpose is to give them an allotment from this trust fund.

Mr. CARTER. These Indians are principally those who have been born since the other enrollment was made. I think the gentleman from Missouri said most of them, but it is immaterial whether it is most of them or all of them. These Indians when they grow up, if they are not given an allotment, will be left without any means of support. If they did not own the lands to be allotted, if we were allotting lands belonging to the public domain, taking something that did not belong to them, but to some one else, there might be an objection. This is an allotment of lands that belong to the tribe, going only to the enrolled members of the tribe and can not be sold under the amendment which the gentleman will propose for 25 years. Therefore every restriction will be placed around this allotment if the gentleman's proposed amendment is adopted.

Mr. STAFFORD. When the original allotment was made years ago there were 601 Indians on the roll. They had a residuary claim on the rest of the tribal property, and everyone, regardless of the number of such Indians born since, has a claim to that residuum. Now you are proposing to make a new division and we have no assurance that these infants will not be better off with the original allotment—that they will be better off by keeping it in the existing condition than they will by dividing it up in small piecemeal portions.

Mr. CARTER. If it is divided up you start the child out as an individual owner of property and he can not dispose of it for 25 years. There can be no claim growing out of it against the Government for allotting the lands to these new borns. In the Cherokee baby case it was decided by the Supreme Court of the United States that Congress had plenary power to do as it saw fit in the division of any undivided tribal property. So there can be no claim against the Government for allotting these lands to these infants.

Mr. STAFFORD. Oh, no; there could be no claim against the Government, but we are to consider what is for the welfare of these children. Mr. Speaker, I object.

Mr. A. P. NELSON. Mr. Speaker, I ask unanimous consent that the bill retain its place on the calendar.

The SPEAKER pro tempore. The gentleman from Wisconsin asks unanimous consent that the bill retain its place on the calendar. Is there objection?

There was no objection.

DISTINGUISHED SERVICE CROSS MEDAL.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 2192) authorizing the award of the distinguished service cross or distinguished service medal, provided for in the act of July 9, 1918, to Army officers brevetted for gallantry during the war with Spain, Philippine insurrection, or China relief expedition.

The Clerk read the title to the bill.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, this bill has been on the calendar and been through the throes of objections many times. I have not much to add to the objections raised on those occasions. But I would like to know why when Congress in 1918 established a policy as to awards and medals of honor and the distinguished service cross which were to be awarded only to those then in the service of the Army and those in the service subsequently, why we should now seek to extend the provision of that act to those who were not in the service at that time?

Mr. MILLER. Mr. Speaker, I do not know whether I can answer the question that the gentleman asked or not. It was my intention to have the Senate bill substituted for the House bill in the consideration of this measure if it should pass objection. As I understand the contention of the gentleman from Wisconsin [Mr. STAFFORD], this legislation of 1918, relative to the distinguished service cross, applied to those officers in the Army who distinguished themselves prior to the passage of that act, and should go back.

Mr. STAFFORD. It applies to those who were in the service at that time, even recognizing merit that had been performed in that war or prior thereto, but does not extend the benefits of that act to those who were not in the Army at that time.

Mr. MILLER. The reason that the brevet rank did not pass at the time was that after the close of the war with Spain the Senate, believing that all legislation came to a close at the close of the war, concluded that it acted without jurisdiction, and this is simply a bill to confer on these gentlemen a long-delayed honor to which they are entitled, I believe.

Mr. MCKENZIE. Mr. Speaker, will the gentleman yield?

Mr. MILLER. Yes.

Mr. MCKENZIE. Is it not a fact that the intention of this legislation is simply to give to officers who served in the Span-

ish-American War and other wars the recognition provided for officers who served in the World War? The officers of the Spanish-American War, performing the same service, there being no law to grant the medal, can not receive it. This simply allows two men, one entitled to recognition, but one barred by the statute of limitations, one might say, to become eligible for the honor.

Mr. MILLER. That is exactly the situation.

Mr. MONDELL. Mr. Speaker, will the gentleman yield?

Mr. MILLER. Yes.

Mr. MONDELL. I do not think that is quite an accurate statement. At the time of the Spanish-American War the law and regulations provided for certain rewards for gallant and meritorious services and conduct. Later, in the World War we made other provisions, differing widely from those of the Spanish War. We made provisions which we believed were wise and proper and fitted to the conditions and situation then existing and not to the situation existing 20 years before. What is proposed now is that we shall grant the recognition intended to be bestowed upon officers of the World War upon officers of a war 20 years before. It may be that it is wise to do so. It is not very logical. If we do that I know of no reason why we should not go back to the Civil War, to the Indian wars, and to all the wars. The men of the Spanish War received the recognition that they had reason to expect at the time the service was rendered. That recognition was as much of an honor and ought to be as favorably considered as anything that we did later for the soldiers of another war; but it was recognition bestowed in another way, in a different form. Is it logical, after the passing of all these years, to say that the provisions relative to medals and recognition in the World War ought to have been made back in the days of the Spanish War?

Mr. BLANTON. Mr. Speaker, I demand the regular order.

Mr. MONDELL. We did not make such provisions, and gentlemen claim now, therefore, that we should go back to the Spanish War and attempt to readjust the situation and give men recognition in a manner not contemplated, not in vogue at the time the service was rendered. I do not think it is a very logical procedure.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I object.

Mr. MILLER. Mr. Speaker, I ask unanimous consent that the bill may retain its place on the calendar.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. I object.

The SPEAKER pro tempore. Objection is heard, and the bill will be stricken from the calendar.

SALE OF MILK, ETC., IN DISTRICT OF COLUMBIA.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 7746) to regulate within the District of Columbia the sale of milk, cream, and certain milk products, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. SANDERS of Indiana. Mr. Speaker, I object.

The SPEAKER pro tempore. The gentleman from Indiana objects, and the bill will be stricken from the calendar.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the bill may retain its place on the calendar.

The SPEAKER pro tempore. Is there objection?

Mr. CLARKE of New York. Mr. Speaker, I object.

REGULATING SALARIES OF TEACHERS IN THE DISTRICT OF COLUMBIA.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 10390) to amend the act entitled "An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia," approved June 20, 1906, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. SANDERS of Indiana. Mr. Speaker, reserving the right to object, this bill is a very important measure. It covers 14 pages. I do not know anything about the merits of it. It is said to be a very meritorious measure, but it should not be taken up on unanimous-consent day, and I object.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the bill may retain its place on the calendar.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, for the reason stated by the gentleman from Indiana, that it is too important a bill to be considered on unanimous-consent day, I object.

The SPEAKER pro tempore. Objection is heard, and the bill is stricken from the calendar.

PREVENTION OF VENEREAL DISEASES IN THE DISTRICT OF COLUMBIA.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 11021) for the prevention of venereal diseases in the District of Columbia, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. SANDERS of Indiana. Mr. Speaker, for the reason stated in reference to the previous bill, I object.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the bill retain its place on the calendar.

The SPEAKER pro tempore. Is there objection?

Mr. SANDERS of Indiana. Mr. Speaker, I object.

Mr. BLANTON. Mr. Speaker, will the gentleman yield for a moment?

Mr. MONDELL. Mr. Speaker, I demand the regular order.

Mr. SANDERS of Indiana. Mr. Speaker, the regular order is demanded, and I shall have to object.

The SPEAKER pro tempore. The gentleman from Indiana objects, and the bill will be stricken from the calendar.

FOREST LANDS IN TAHOE NATIONAL FOREST, CALIF.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 6651) to provide for the consolidation of forest lands in the Tahoe National Forest, Calif., and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. TREADWAY. Mr. Speaker, reserving the right to object, it seems to me we have a good deal of legislation relative to national forests, and unless there can be some very good explanation given as to why this transaction provided for in this bill shall take place I shall be obliged to object.

Mr. BLANTON. Mr. Speaker, reserving the right to object—

Mr. GRAHAM of Illinois. Mr. Speaker, I object.

Mr. RAKER. Will the gentleman withhold?

Mr. GRAHAM of Illinois. I object.

The SPEAKER pro tempore. The gentleman from Illinois objects, and the bill will be stricken from the calendar.

Mr. RAKER. Mr. Speaker, I ask unanimous consent that the bill remain on the calendar.

The SPEAKER pro tempore. Is there objection?

Mr. CLARKE of New York. Mr. Speaker, I object.

FREE TRANSMISSION OF CERTAIN PUBLICATIONS FOR THE BLIND.

The next business in order on the Unanimous Consent Calendar was the bill (H. R. 10496) to provide for the free transmission through the mail of certain publications for the blind.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I object.

Mr. STEENERSON. Will the gentleman withhold that?

Mr. STAFFORD. This bill was previously on the Unanimous Consent Calendar, and it has an adverse report from the Postmaster General.

Mr. STEENERSON. It has been modified.

Mr. STAFFORD. I do not think under those circumstances it should stay on the calendar.

The SPEAKER pro tempore. The bill will be stricken from the calendar.

COINAGE OF 50-CENT PIECES IN COMMEMORATION OF THE ONE HUNDREDTH ANNIVERSARY OF THE ENUNCIATION OF THE MONROE DOCTRINE.

The next business in order on the Unanimous Consent Calendar was the bill (H. R. 13194) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the enunciation of the Monroe doctrine.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection?

Mr. TREADWAY. Mr. Speaker, reserving the right to object, will the gentleman interested in this measure kindly explain some reason why this legislation should be adopted?

Mr. LINEBERGER. I will be very glad to furnish the information which the gentleman desires. This bill requests an authorization for the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the enunciation of the Monroe doctrine, and is prompted only by the desire to celebrate in a fitting manner a very important national event and international event. There is also to be held in the city of Los Angeles next year a Monroe doctrine centennial exposition. A very unique thing about this bill and the centennial which we propose to hold in Los Angeles is that we do not propose to ask the Government of the United States for one cent of money; that is to say, pecuniary outlay on the part of the Government.

Mr. CRAMTON. Will the gentleman yield? The provisions of the bill put this issue entirely in the hands of the local clearing house. That is a unique provision, is it not?

Mr. LINEBERGER. I think not. I believe it has been customary when an exposition or other commemorative events are held in localities and a coin is specifically coined by the Government to commemorate that same event, the locality in which the commemorative event is held is usually permitted to distribute the coin. That is as it should be; that is the only reason for their asking for this, and I hope the gentleman will not object to the present consideration of the bill.

Mr. CRAMTON. The coin is not to commemorate the exposition or fair, or whatever it is down there, but it is to commemorate the enunciation of the Monroe doctrine, which I do not understand took place in Los Angeles.

Mr. LINEBERGER. No; it did not take place in Los Angeles, but I want to say to the gentleman, speaking in a historical sense, I do not think that any portion of the country is more interested in the Monroe doctrine, because it was through the Monroe doctrine that California was annexed.

Ever since the Lewis and Clark expedition, as far back as 1806, England, France, and Russia had cast covetous eyes along the littoral of the north Pacific coast. California was the main attraction, but the Monroe doctrine, proclaimed in 1823, disturbed their plans and kept the European powers at a distance. However, when war was declared between the United States and Mexico, on May 13, 1846, the situation which had been long developing finally crystallized. Commodore John B. Sloat was in command of the Pacific Squadron, consisting of seven vessels and a transport. This fleet was lying in the Harbor of Mazatlan when, on May 17, word reached him that hostilities had begun between Mexico and the United States. But as the report was not official, Sloat contented himself with dispatching a single vessel, the *Cyane*, under Captain Mervin, to join the *Portsmouth* at Monterey, while he remained in the Mexican harbor with the remainder of the fleet. A few weeks later, receiving additional confirmation of the earlier report, he quietly slipped out of Mazatlan and sailed direct to Monterey.

In taking this course Sloat was not only guided by Bancroft's orders of the previous year but also by evidence, apparently genuine, that the British Government planned to check the American occupation of California. Admiral Seymour, commander of the British fleet in the Pacific, whose interest in California was well known, was then cruising in the vicinity of Sloat's command and had shown an unpleasant curiosity in the doings of the American fleet. It was credibly reported that he intended to forestall Sloat's occupation of any California port; and as later evidence showed, only the absence of official orders prevented him from making this attempt.

As it was, however, Sloat found no obstruction in his way at Monterey. His flagship, the *Savannah*, anchored in the harbor on July 2; but he delayed action until the morning of the 7th. The intervening time was occupied in conferences with Larkin, in the preparation of plans and proclamations for the conquest of the Province, and in exchange of official courtesies with the California authorities.

At last, however, stirred by news of Fremont's activities in the north, the fear of Admiral Seymour's arrival, and the urging of his own officers, Sloat decided to act. The occupation of Monterey then became almost a matter of routine. There had been no powder in the fort to salute the American vessels when they sailed into port; all the soldiers—a mere handful—had gone south with Castro; and a Mexican flag had not been seen in the town for three months.

Accordingly, when the formal demand for surrender was refused, because there was no one with authority to grant it, Sloat disembarked some 250 men, who marched unmolested to the customhouse, where they raised the American flag, July 7, 1846. He fired a salute and formally proclaimed California annexed to the United States. Two days later the flag was raised over San Francisco and Sonoma, and on the 11th at Sutter's Fort. In all these proceedings and in the proclamations accompanying them it is worth recording that the American officers sought, according to their instructions, to conciliate the Californians and to treat them with all possible consideration.

Thus the Monroe doctrine kept the European powers from taking action for the acquisition of California for a period of nearly 25 years, and no doubt was the final source of inspiration which caused Commodore Sloat to act in 1846, thereby forestalling the occupation of the territory by the British.

So California has an historical interest in the Monroe doctrine, and in reality owes her place in the great constellation of States to the fact of its existence. Her interest in its present maintenance and future perpetuation is no less now than it was in the past, and it is appropriate, indeed, gentlemen, that this

great exposition to commemorate the one hundredth anniversary of the Monroe doctrine should be held upon the shores of the Pacific in the great State of California, which came under the folds of the American flag because of the foresight and patriotism of the statesman of a century ago who promulgated the doctrine and proclaimed the sentiments of the American people therein enunciated to the world.

Mr. CRAMTON. Is the gentleman willing to cut section 2 from the bill?

Mr. LINEBERGER. I hope the gentleman will not insist on that omission because this exposition is to be held in Los Angeles and preparations are well on their way and that would be the natural place to distribute these coins.

Mr. CRAMTON. I will say frankly to the gentleman with section 2 remaining in the bill I shall be obliged to object.

Mr. LINEBERGER. What would the gentleman suggest; from whence could the coin be distributed to better advantage than in Los Angeles?

Mr. CRAMTON. We have a lot of patriotic towns in Michigan that could distribute them if it is necessary to have a town distribute them.

Mr. STAFFORD. Will the gentleman yield?

Mr. LINEBERGER. I will yield.

Mr. STAFFORD. I understand from the gentleman's statement that the people of Los Angeles do not expect to call upon the Government for any funds to assist it in the maintenance of the exposition?

Mr. LINEBERGER. That is correct.

Mr. STAFFORD. And that this issue of specially designed 50-cent pieces is virtually for the purpose of raising funds to defray some of the expenses of the exposition?

Mr. LINEBERGER. Not at all.

Mr. STAFFORD. What is the purpose of having these coined exclusive in the treasury of the Los Angeles clearing house?

Mr. LINEBERGER. Simply because it is the natural place from which they should be distributed in view of the exposition. It will be an international affair, I will say to the gentleman.

Mr. STAFFORD. Last year we authorized the issuance of a special coin to assist in the building of a highway in the President's State and those coins were sold at a premium I suppose for the purpose of contributing to the expenses.

Mr. TREADWAY. Mr. Speaker, will the gentleman yield there?

Mr. LINEBERGER. Yes.

Mr. TREADWAY. Is it not a fact that whenever these special things are done, either with respect to stamps or coins, or anything of that kind, eventually there is a very large premium asked for them when they reach the hands of collectors?

Mr. STAFFORD. There will be no question about the number of collectors of these coins.

Mr. TREADWAY. Of what benefit would this be to Los Angeles, or what effect would it have on the Monroe doctrine?

Mr. LINEBERGER. If the gentleman will permit me to answer him, I will say this, that it is to commemorate a national event that we are holding this exposition, and the coining of this coin which will cost the Government nothing—because the exposition pays all expense, is to commemorate the same event, and I think the coins should be distributed from the point where the exposition is to be held.

Mr. BLANTON. Mr. Speaker, will the gentleman yield for a question?

Mr. LINEBERGER. Yes.

Mr. BLANTON. If they are not going to ask the Federal Government for help—which would be a departure from the usual custom—and if by section 2 they can sell these coins at a premium of 50 cents or a dollar and thereby secure funds to help them out, why should we object? In my opinion that is an entirely proper way for them to finance their entertainment.

Mr. CRAMTON. Mr. Speaker, it does not occur to me that this is a right way to finance the fair.

Mr. LINEBERGER. It is not financing the fair. It will cost millions. Will the gentleman accept the bill if I move to strike out section 2?

Mr. CRAMTON. Does the gentleman suppose the Senate will restore it?

Mr. LINEBERGER. I have no way of telling what the Senate will do in the matter.

Mr. CRAMTON. I will need assurance that section 2 will not be put in.

Mr. LINEBERGER. I shall not, of course, handle the bill in the Senate. I hope the gentleman will withdraw his objection. He said he would.

THE SPEAKER. Is there objection?

Mr. CRAMTON. I will object unless the gentleman can assure us that section 2 will not be restored.

Mr. LINEBERGER. I will say frankly to gentlemen on the Senate side that there was objection here, and I shall do my best to cut it out. I hope the gentleman will not renew his objection, so this will not be necessary.

Mr. CRAMTON. Then I will withdraw my objection.

Mr. GREENE of Vermont. Mr. Speaker, will the gentleman yield?

Mr. LINEBERGER. Oh, yes; I will yield to a Senator at any time. [Laughter.]

Mr. GREENE of Vermont. Not to a half-baked one. [Laughter.] It seems to me the question is not one of selling a coin at a particular value or at a particular place. The question is whether the United States Government is going to go on from year to year submitting its coinage to this—well—harlotry. It is a question whether the dignity of the Government's coinage is going to be maintained by the Government or be let out to every ballyhoo organization to prop up somebody's fair. I do not mean to be invidious in saying this. I have thought of the same objection heretofore. We have all sorts of expositions, and many have asked for this same thing. It does not apply especially to the exposition of the gentleman from California [Mr. LINEBERGER], which is a high-class proposition. But it does seem to me we should call a halt on this business in our postage stamps and in our coins and everything. We are now doing almost everything with these Government agencies but advertise patent medicines. It is time that we should stop it. It is almost like a man renting his barn wall to advertise somebody's paint. [Laughter.]

Mr. MONDELL. Mr. Speaker, I hope the gentleman from Vermont will not object, holding the views that he does.

Mr. BUTLER. Mr. Speaker, I call for the regular order.

The SPEAKER. The regular order is demanded.

Mr. TREADWAY. I object.

The SPEAKER. Objection is made.

Mr. LINEBERGER. Mr. Speaker, I ask unanimous consent that the bill retain its place on the calendar without prejudice.

The SPEAKER. The gentleman from California asks unanimous consent that the bill retain its place on the calendar without prejudice. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the next bill.

AMENDMENT OF TRADING WITH THE ENEMY ACT.

The next business on the Calendar for Unanimous Consent was the bill (S. 4100) to amend section 9 of the trading with the enemy act as amended.

The title of the bill was read.

Mr. STAFFORD. Mr. Speaker, has that bill been on the calendar for a sufficient length of time to qualify it for unanimous consent?

The SPEAKER. The Clerk informs the Chair that it was put on on Thursday. If it was put on on Friday, it would be too late.

The Clerk is now making a search to ascertain the facts. If objection is made, the Chair will recognize the gentleman from Michigan [Mr. MAPES] to move to suspend the rules.

Mr. STAFFORD. Then there will be no question about that.

The SPEAKER. There is no question about that. The Chair will recognize the gentleman from Michigan.

Mr. MAPES. Mr. Speaker, I move that the rules be suspended and that the bill S. 4100 be passed.

The SPEAKER. The gentleman from Michigan moves to suspend the rules and pass the bill which the Clerk will report.

The Clerk read as follows:

A bill (S. 4100) to amend section 9 of the trading with the enemy act as amended.

Be it enacted, etc., That section 9 of the trading with the enemy act as amended is amended by striking out the words "18 months" in such section and inserting in lieu thereof "30 months."

The SPEAKER. Is a second demanded?

Mr. STAFFORD. I demand a second.

The SPEAKER. The gentleman from Wisconsin demands a second.

Mr. MAPES. I ask unanimous consent, Mr. Speaker, that a second be considered as ordered.

The SPEAKER. The gentleman from Michigan asks unanimous consent that a second be considered as ordered. Is there objection?

There was no objection.

Mr. MAPES. Mr. Speaker, this bill provides for the extension of time in which certain claimants for interests in property held by the Alien Property Custodian are required to

commence suits in order to protect their rights. The law as originally passed provided that they could have six months from the expiration of the war. About a year ago that time was extended one year, so that it expires January 2 of the coming year. It is now asked by the Department of Justice and by the Alien Property Custodian that the time be extended for one more year.

I think the Members of the House should keep this in mind: This does not deprive anyone of any rights that he now has, but it extends his right to bring suit one year from the 2d day of January, 1923.

The bill has been passed in the Senate and has been unanimously reported by the Committee on Interstate and Foreign Commerce. The Members of the House should keep this further point in mind: This does not apply to property held by the Alien Property Custodian that belonged to alien enemies. It applies to other than alien enemies who have a claim against the property which the Alien Property Custodian has. Section 9 of the trading with the enemy act provided that these people might file a claim for the interest which they had in this property held by the Alien Property Custodian, and under certain procedure the President might authorize the Alien Property Custodian to transfer it to persons not alien enemies or allies of alien enemies; but if they did not see fit to follow that procedure clear through, the law gave them six months after the close of the war in which to begin suit or required them to bring suit not later than six months after the close of the war. This bill simply extends the time for another year in which they can begin suit. They can begin suit now, if the time is not extended, and be put and put the Alien Property Custodian and the Government to the expense of defending those suits. If this bill is passed and the time is extended it will simply give them another year before they are obliged to file suits in order to protect their rights.

Mr. CHINDBLOM. As a matter of fact the accommodation in this case will be largely to the Government itself, and to the Alien Property Custodian, to make it possible for him to determine these matters in his office and with the available facilities there, rather than in a court after suit has been brought against him?

Mr. MAPES. Of course it will be for the accommodation of the Alien Property Custodian, but it will also save the claimant the expense of bringing the suits.

Mr. CHINDBLOM. Certainly. But I mean it is required by the department itself? We are not merely benefiting the claimants?

Mr. MAPES. Certainly.

Mr. BLANTON. May I ask the gentleman from Michigan a question for information?

Mr. MAPES. I yield to the gentleman from Texas.

Mr. BLANTON. I know of a party in my own State who has lived in Texas 40 years and has grown children and grown grandchildren born and raised in Texas, and whose property was taken away from him by the Alien Property Custodian because he had never taken out his naturalization papers. A case of that kind is not affected by this proposed act, is it? That man is not required to file a suit against the Alien Property Custodian, is he?

Mr. MAPES. Is he an alien enemy under the law?

Mr. BLANTON. Under the law, being formerly a resident of Germany, unnaturalized, but who had lived in this country for 40 years.

Mr. MAPES. If he is an alien enemy or the ally of an alien enemy, this amendment does not affect him at all.

Mr. BLANTON. It does not affect him at all?

Mr. MAPES. It does not apply to that class of people.

Mr. BLANTON. Does the Government expect that a man in that kind of a situation shall bring a suit, or is his property to be restored to him some day?

Mr. MAPES. It is hoped that some day his property will be restored to him.

Mr. BLANTON. Without suit?

Mr. MAPES. Without suit, although this amendment has nothing to do with the case at all.

Mr. LONDON. Will the gentleman yield?

Mr. MAPES. I yield to the gentleman from New York.

Mr. LONDON. I understand this amendment will inure to the benefit of a large class of claimants who were held constructively to be alien enemies because they were in territory temporarily occupied by German arms. Under an interpretation of the law by the Alien Property Custodian persons residing in territory temporarily occupied by German or Austrian arms were considered alien enemies while in fact they were not. I understand this amendment will enable this class of claimants to press

their claims, or if necessary to commence actions. Am I correct in that view?

Mr. MAPES. I will say to the gentleman that I can not answer his question. Section 9, which this bill proposes to amend, applies only to the class of people mentioned in the first sentence of the section, which is as follows:

That any person not an enemy or the ally of an enemy claiming any interest in any property held by the Alien Property Custodian—

And so forth.

Mr. LONDON. During the war the Alien Property Custodian demanded that all persons who owed any money to residents of territory occupied by German arms should report to the Alien Property Custodian, but in fact those persons were not alien enemies.

Mr. MAPES. I think there might have to be an order finding that they were not alien enemies before this would apply to them and inure to their benefit; but I am not familiar enough with the situation to answer definitely the question the gentleman has in mind.

Mr. STEPHENS. Will this cover cases where property held by the Alien Property Custodian is in dispute, where it is claimed by citizens of this country and yet their claim has not been fully determined?

Mr. MAPES. That is my understanding of it.

Mr. STAFFORD. Mr. Speaker, I do not wish to claim the time allotted to me in case anyone wishes to oppose this bill, because I am in favor of it.

Mr. BLANTON. I should like to have five minutes.

Mr. STAFFORD. I am in hearty accord with the purpose of this bill. I hope it will be a spur to the Committee on Interstate and Foreign Commerce to consider the bills recommended by the Alien Property Custodian, introduced, I believe, by the chairman of the committee [Mr. WINSLOW] last August, so that consideration of claims may be made by Congress, or authorization may be granted rather to the Alien Property Custodian to pay 95 per cent in number of these claims, but in total valuation a very small percentage of the total claims against the German Government.

If I have read correctly the letter of the Alien Property Custodian addressed to the chairman of the Committee on the Judiciary of the Senate, this bill has for its purpose not alone relieving these many claimants from taking action in court, which would involve an expense to the Government and necessitate the employment of attorneys, but it is to give time for the status quo to continue, so that Congress may take action upon the bills recommended by the Alien Property Custodian so as to authorize him to give much-needed relief to the many thousands of claimants, large in number, whose claims are small in amount.

Mr. STEPHENS. Does the gentleman refer to a bill that is now in the hands of the committee, which provides that all property up to the value of \$10,000 be returned to alien enemies?

Mr. STAFFORD. That is the bill that I had specially in mind, and the Alien Property Custodian is strongly in favor of, because it will not destroy any of the equities of our Government if we pay these small amounts, and it will be of great benefit to the small claimants who happen to be alien enemies and happen to have had their property tied up under the trading with the enemy act.

Mr. STEPHENS. Had the gentleman any information as to the probability of that bill being considered or brought before the House for consideration at a very early date?

Mr. STAFFORD. The gentleman should direct his inquiry to some member of the committee to whom the bill has been referred for consideration. I am not advised as to the status of the bill.

I reserve the remainder of my time.

Mr. BLANTON. Will the gentleman yield to me five minutes?

Mr. STAFFORD. We want to hasten the consideration of the bill. I will yield to the gentleman three minutes.

Mr. BLANTON. Mr. Speaker, I think in the case I mentioned steps ought to be taken at once to return the property to the owner. This is a case where this citizen lived in the country for 40 years. I am not excusing him for not taking out his naturalization papers. But he served on juries; he served on the grand juries of his county time and again. All of his children were born in the State of Texas. He has grandchildren born in Texas now grown up, and because he had not taken out his naturalization papers the Alien Property Custodian took charge of his home and is now holding it. It is four long years since the armistice has been signed and still his home property is being held.

Mr. STEPHENS. The bill I refer to in the hands of the committee will correct that very thing, and that is the reason we wanted it shoved through.

Mr. BLANTON. It ought to be on the calendar and passed under suspension of the rules to-day, because it is time that this property was returned to this old man in his declining years. It is true he came from Germany 40 years ago, but he is an American citizen and a good citizen of the State of Texas. Not one word can be said against his stand during the war.

Mr. WINSLOW. Mr. Speaker, the gentleman is quite correct about all that, but there is no reason why he should scold anybody in connection with the committee.

Mr. BLANTON. I am not scolding anyone.

Mr. WINSLOW. The committee has had the matter in hand for a good many months and we have operated back and forth with the Alien Property Custodian time and time again. We have been all ready to bring the matter before the committee a great many times, but about the minute we were ready to take it up somebody, either the Alien Property Custodian or the Department of State or the Department of Justice, would say, "Hold on a bit; we are up against a little sharp point that we had not noticed before." It has been going around and around until now it looks as if we had come to a point where we would have these men settle the final conditions, if they have any, before the committee. I will say now, under the pressure of the moment, to the gentleman that the chairman of the committee purposes to call this up immediately after the holidays and take up the bill to which the gentleman refers.

Mr. BLANTON. I am glad of it, because the gentleman from Massachusetts when he wants to get something through gets it through, and he is the last man on earth whom I would undertake to scold. I am glad that the time has come when this bill will be brought out, because I think the home property of such a man as I have alluded to ought to be returned immediately.

Mr. STAFFORD. Mr. Speaker, how much time have I remaining?

The SPEAKER. The gentleman has 15 minutes remaining.

Mr. STAFFORD. I yield to the gentleman from Illinois [Mr. CHINDBLOM].

Mr. CHINDBLOM. Mr. Speaker, we all have had cases of the kind mentioned by the gentleman from Texas [Mr. BLANTON]. A great many of the people of this country who were not advised of their lack of citizenship have served on petit juries and on grand juries and have voted in elections, men who assumed for all purposes that they were citizens of the United States. Their families have grown up here, they were good people in the communities in which they lived, but somehow they had forgotten some incidents connected with their naturalization. For instance, there were many who believed that the first papers authorized them to vote and, in fact, completed their citizenship. In some States until quite recently men were allowed to vote on getting their first papers or the application for citizenship, and were not required to secure a final certificate to enjoy the right of suffrage. All of this resulted in many people living in the country without ascertaining definitely whether they were or were not citizens. When the war came on they were required to produce evidence of citizenship, not only Germans but people born in other countries.

I want to say to those who may not know that there is a law which allows a man under the conditions to be naturalized in six months after he applies for citizenship.

Mr. CLARKE of New York. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois be allowed to extend and revise his remarks.

Mr. CHINDBLOM. Mr. Speaker, I do not care to revise or extend my remarks. I note that a gentleman for whom we have been waiting has entered the Chamber.

The SPEAKER. The question is on the passage of the bill. In the opinion of the Chair two-thirds having voted in favor therefor the rules are suspended and the bill is passed.

ORDER OF BUSINESS.

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 13374, the naval appropriation bill.

The SPEAKER. The gentleman from Michigan moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the naval appropriation bill.

Mr. HAYDEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HAYDEN. I have as No. 1 on the calendar of motions to discharge committees the bill H. R. 263, amending section 4 of the act to regulate commerce, approved February 4, 1887. I would like to ask if it is not in order for me to call up that

bill at this time in view of the fact that the Unanimous-Consent Calendar has been called and all motions to suspend the rules have been disposed of?

The SPEAKER. The Chair thinks that it is.

Mr. HAYDEN. Notwithstanding the motion of the gentleman from Michigan to go into the Committee of the Whole on the naval appropriation bill?

The SPEAKER. It is a novel question, but at the first blush the Chair thinks the gentleman from Arizona has that right.

Mr. STAFFORD. Mr. Speaker, the gentleman from Michigan made his motion and the Chair was submitting it. No point of order was raised to the privileged character of the motion to go into the Committee of the Whole. Does it not come too late to raise that question whether it is in order to entertain a motion to discharge a committee?

The SPEAKER. The Chair does not think, as the motion had not been passed upon by the House, that it is too late. There has been no debate.

Mr. STAFFORD. The Chair was putting the motion.

The SPEAKER. Yes; but the Chair did not know that the gentleman from Arizona was on his feet.

Mr. SANDERS of Indiana. Mr. Speaker, we could not hear. What is the gentleman's request?

The SPEAKER. The gentleman from Arizona makes the point of order that he is entitled to be recognized to move to discharge a committee in a case of the calendar of motions to discharge committees.

Mr. DOWELL. Is that upon the ground that it is privileged?

The SPEAKER. Under the rules of the House—

After the Unanimous-Consent Calendar shall have been called on any Monday and motions to suspend the rules have been disposed of, it shall be in order to call up any such motion—

That is, a motion to discharge a committee—

which shall have been entered at least seven days prior thereto.

The Chair will inquire of the gentleman whether this has been upon the calendar for more than seven days?

Mr. HAYDEN. It has been on the calendar for nearly a year.

Mr. BLANTON. Mr. Speaker, I make the point of order that the Unanimous-Consent Calendar has not been called; that is, we have not finished calling it. The last bill has not been called.

The SPEAKER. That bill is not in order, it not having been on the calendar for three days. There was a decision rendered on January 16, 1911, to this effect:

A motion to discharge a committee from consideration of a bill under this rule is of higher privilege than a motion to consider an appropriation bill.

The Chair thinks the gentleman from Arizona is entitled to be recognized.

Mr. LINEBERGER. Mr. Chairman, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LINEBERGER. I have a bill upon the Unanimous-Consent Calendar to which the gentleman from Massachusetts [Mr. TREADWELL] objected. He is now willing to withdraw his objection. I want to know if I can call it up at this time? I ask unanimous consent to return to the bill.

Mr. STAFFORD. Mr. Speaker, I think it is bad practice, after a bill has been objected to, to revive it again even upon the withdrawal of objection upon the part of the person who objected, because there may have been Members here who would otherwise have interposed an objection. This bill to which the gentleman from California refers retains its place on the calendar. No harm can be done by having it go over for two weeks. It has been the invariable practice when a bill is objected to that it shall not be reconsidered upon that same day.

The SPEAKER. It can be done only by unanimous consent.

Mr. KELLEY of Michigan. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KELLEY of Michigan. My impression is that I had been recognized to make a motion to go into the Committee of the Whole.

The SPEAKER. The Chair did recognize the gentleman, but the gentleman from Arizona makes the point of order that he has a motion of higher privilege. The Chair thinks he is correct. Of course, the gentleman's motion must be supported by a majority of the House by tellers. He does not have an absolute right to bring the bill up.

Mr. BEGG. Mr. Speaker, there is so much confusion; what is the motion?

The SPEAKER. To call up the first motion on the calendar for the discharge of committees.

Mr. LONGWORTH. But the rule simply provides that it shall be in order to make such a motion. I do not think that would give us a superior privilege.

The SPEAKER. The Chair just cited a decision which holds that a motion to discharge a committee from consideration of a bill under this rule is of higher privilege than a motion to consider an appropriation bill. This is a new proposition to the Chair. The rule further provides:

When such motion shall be called up the bill shall be read by title only prior to a second being ordered by tellers.

Of course, if the House does not want to consider it, it can refuse to consider it.

Mr. GRAHAM of Illinois. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GRAHAM of Illinois. Is the motion to discharge the committee and place this bill upon its appropriate calendar?

Mr. HAYDEN. That is the motion.

The SPEAKER. The Chair supposed that the gentleman meant to discharge the committee and consider the bill. The gentleman has not stated his motion.

Mr. HAYDEN. Mr. Speaker, I move, in accordance with paragraph 4 of Rule XXVII, to call up the bill H. R. 263 for consideration at this time.

Mr. GRAHAM of Illinois. Mr. Speaker, I make the point of order that the motion is not in order. Only one motion is proper at this time, and that is a motion to discharge the committee and place this bill on the appropriate calendar, and that motion must be supported by a majority vote, by tellers, in order to be considered at all. Then the motion must pass this House by a majority of all the votes of the House—not of all the Members present but of the membership of the House.

Mr. MONDELL. Mr. Speaker, I think the gentleman from Arizona would better withdraw his motion.

Mr. HAYDEN. I will frankly say to the gentleman from Wyoming that I have been here 10 years, and I have never seen the calendar of motions to discharge committees brought into action. I want to see what will happen if my motion is considered.

Mr. DOWELL. Mr. Speaker, the gentleman from Michigan had already made a motion to go into the Committee of the Whole.

The SPEAKER. He had.

Mr. DOWELL. The Speaker could not recognize anyone else while that motion was before the House, could he?

The SPEAKER. The Chair thinks differently. The Chair supposed the gentleman from Michigan was the only person demanding recognition.

Mr. DOWELL. He was entitled to recognition and received recognition to make his motion.

The SPEAKER. The gentleman knows that it occurs very often that two or three gentlemen rise and the Chair recognizes one, but if another one states that he has a motion of higher privilege the fact that the Chair had already recognized one Member does not prevent the other being recognized.

Mr. HAYDEN. I was on my feet seeking recognition at that time.

The SPEAKER. The Chair understands the gentleman from Arizona to move to take up the bill, to discharge this committee, and consider the bill.

Mr. GRAHAM of Illinois. I make the point of order against that.

The SPEAKER. The Chair would like to hear the gentleman.

Mr. GRAHAM of Illinois. That is plainly to be gathered from the rule itself, which is found on page 26 of to-day's calendar. I read from the rule:

After the Unanimous-Consent Calendar shall have been called on any Monday and motions to suspend the rules have been disposed of, it shall be in order to call up any such motion which shall have been entered at least seven days prior thereto.

Recognition for such motions shall be in the order in which they have been entered. When such motion shall be called up the bill shall be read by title only prior to a second being ordered by tellers, and no such motion shall be entertained as to a bill or joint resolution the title of which contains more than 100 words; after the reading of the bill by title the motion shall not be submitted to the House unless seconded by a majority by tellers; if such motion fails of a second, it shall be immediately stricken from the calendar and shall not be thereafter placed thereon. If a second be ordered, debate on such motion shall be limited to 20 minutes, one-half thereof in favor of the proposition and one-half in opposition thereto. Such motions shall require for adoption an affirmative vote of a majority of the membership of the House. Whenever such a motion shall prevail the bill so taken from the consideration of a committee shall thereupon be placed upon its appropriate calendar, and upon call of the committee from which

any bill has been so taken it may be called up for consideration by any Member prior to any bill reported by said committee at a date subsequent to the discharge of said committee: *Provided*, No Member shall have upon such calendar more than two motions at the same time.

The SPEAKER. The Chair sustains the gentleman's point of order.

Mr. HAYDEN. Mr. Speaker, the motion I made was to do with this bill everything that could be done under the rule relating to the calendar of motions to discharge committees.

The SPEAKER. The Chair will now recognize the gentleman if he wishes to move that the bill be called up. The Chair does not remember that this has occurred before. It is an entirely novel proposition. The gentleman has the right to call the bill up, and thereupon, in order to have it considered at all, his motion must be seconded by tellers. If a majority of the vote by tellers is against the gentleman, then it has no consideration at all. If, on the other hand, the majority, on tellers, should be in favor of the gentleman's motion then all that it would accomplish would be to put the bill on its appropriate calendar in order that it could be reached when that committee is called, which everyone knows will not happen in this session.

Mr. HAYDEN. Mr. Speaker, I make the proper motion to call up the bill H. R. 263.

Mr. MONDELL. Mr. Speaker, I demand a second.

Mr. DOWELL. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. The gentleman from Iowa makes the point of order there is no quorum present. The Chair will count. [After counting.] It is clear there is no quorum present.

Mr. MONDELL. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

Almon	Dyer	Lee, N. Y.	Riordan
Anderson	Echols	Luce	Robertson
Ansorge	Edmonds	Luhning	Rodenberg
Anthony	Fairchild	McClintic	Rosenbloom
Bell	Fish	McCormick	Rossdale
Benham	Free	McFadden	Rucker
Bird	Freeman	McLaughlin, Pa.	Ryan
Blakeney	Frothingham	McSwain	Sabath
Bland, Ind.	Gallivan	Maloney	Sanders, N. Y.
Bond	Goodykoontz	Mead	Schall
Bowers	Gorman	Michaelson	Shaw
Brand	Gould	Mills	Shreve
Britten	Graham, Pa.	Montague	Siegel
Brooks, Ill.	Green, Iowa	Moore, Ill.	Sisson
Brooks, Pa.	Griest	Morin	Slemp
Brown, Tenn.	Griffin	Mott	Smith, Mich.
Burke	Hammer	Mudd	Snyder
Campbell, Pa.	Hays	Nelson, Me.	Stifness
Cantrill	Henry	Nelson, J. M.	Stoll
Carew	Herrick	Newton, Mo.	Sullivan
Chalmers	Hicks	O'Brien	Sweet
Chandler, N. Y.	Husted	O'Connor	Tague
Chandler, Okla.	Hutchinson	Ogden	Taylor, Ark.
Clark, Fla.	Jacoway	Olpp	Taylor, N. J.
Classon	James	Osborne	Ten Eyck
Clouse	Jeffers, Ala.	Overstreet	Tillman
Codd	Johnson, Miss.	Paige	Tinkham
Cole, Ohio	Jones, Pa.	Park, Ga.	Tucker
Collins	Kahn	Parker, N. Y.	Vare
Connolly, Pa.	Kendall	Paul	Vestal
Copley	Kennedy	Perkins	Volgt
Coughlin	Kindred	Perlman	Volk
Crago	Kirkpatrick	Petersen	Walters
Cullen	Kitchin	Porter	Ward, N. Y.
Davis, Minn.	Klecza	Pringle	Weaver
Deal	Knight	Radcliffe	Wheeler
Dempsey	Kopp	Rainey, Ala.	Williams, Tex.
Drane	Kunz	Rainey, Ill.	Wilson
Drewry	Langley	Ramseyer	Wise
Driver	Larson, Minn.	Reber	Wood, Ind.
Dunbar	Layton	Reed, N. Y.	Woodyard
Dunn	Lee, Ga.	Riddick	

The SPEAKER. Two hundred and fifty-three Members have answered to their names; a quorum is present.

Mr. MONDELL. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors. The question is on the motion of the gentleman from Arizona to discharge the committee on the bill which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 263) amending section 4 of the act to regulate commerce, approved February 4, 1887.

The SPEAKER. The gentleman from Wyoming and the gentleman from Arizona will take their places as tellers.

The House divided; and the tellers reported—ayes 60, noes 90.

The SPEAKER. The majority of the House not having voted in favor thereof by tellers, the motion fails and the bill will be stricken from the calendar.

NAVAL APPROPRIATION BILL.

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the naval appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 13374, with Mr. LONGWORTH in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 13374, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 13374) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1924, and for other purposes.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

INCREASE OF THE NAVY.

The Secretary of the Navy may use the unexpended balances on the date of the approval of this act under appropriations heretofore made on account of "Increase of the Navy," together with the sum of \$20,000,000, which is hereby appropriated, for the prosecution of work on vessels under construction on such date, the construction of which may be proceeded with under the terms of the treaty providing for the limitation of naval armament, concluded on February 6, 1922, published in Senate Document No. 126 of the second session of the Sixty-seventh Congress; for continuing the conversion of two battle cruisers into aircraft carriers, including their complete equipment of aircraft and aircraft accessories, in accordance with the terms of such treaty; for the settlement of contracts on account of vessels already delivered to the Navy Department; for reimbursement to contractors and subcontractors of carrying charges heretofore and hereafter approved by the Secretary of the Navy to cover additional expenses resulting from the deferring of deliveries or payments under contracts and subcontracts for materials for vessels, the construction of which may be continued under the terms of such treaty; for the procurement of gyro compass equipments for destroyers not already supplied; for the completion of armor, armament, ammunition, and torpedoes for the supply and complement of vessels which may be proceeded with as hereinbefore mentioned; and not more than \$10,000,000 of the additional funds herein made available under "Increase of the Navy" shall be applied to objects of expenditure under the jurisdiction of the Bureau of Ordnance; and for the installation of fire-control instruments on destroyers not already supplied, and the funds herein made available shall not be used for any other purposes: *Provided*, That in addition to the funds hereinbefore made available for "Increase of the Navy," the Secretary of the Treasury is authorized and directed to make transfers during the fiscal year 1924 from the naval supply account fund and the clothing and small-stores fund to the appropriation "Increase of the Navy," of sums aggregating \$35,000,000.

Mr. PARKER of New Jersey. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. PARKER of New Jersey: On page 53, line 1, after the word "vessels," insert "authorized or."

Mr. PARKER of New Jersey. So it will read "for the prosecution of work on vessels authorized or under construction on such date."

Mr. BLANTON. I reserve a point of order.

Mr. PARKER of New Jersey. Mr. Chairman, before beginning I desire to ask unanimous consent to extend my remarks by printing some extracts from the report of the Secretary of the Navy of March last, which is the last information I have on the subject.

The CHAIRMAN. The gentleman from New Jersey asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection? [After a pause.] The Chair hears none.

Mr. BLANTON. Mr. Chairman, I make the point of order against the amendment for the reason that it is a change of law and legislation unauthorized on an appropriation bill, and I call the Chair's attention to the fact this would authorize the expenditure of money upon vessels which are now under suspension by reason of the four-power pact. That is in effect an agreement now being considered by nations and which if adopted becomes the law of the land. And this would make available money for the completion of those vessels, the work upon which has been suspended under that four-power pact.

Mr. PARKER of New Jersey. Mr. Chairman, I say in answer to that, in the first place, there is no change of law in proceeding with the construction of vessels authorized by law, and in the second place the four-power pact is expressly excepted in the last part of the same sentence, where it says we are not to construct any vessels which are objected to by the four-power pact. If the gentleman will hear me, he will find that the vessels I am going to speak about are the submarines and light cruisers which are not part of the four-power pact.

Mr. KELLEY of Michigan. Mr. Chairman, I do not think the gentleman's amendment is subject to the point of order.

What the gentleman desires is to continue work on destroyers that has been suspended?

Mr. PARKER of New Jersey. No; my idea, sir, is the completion not only of all the light cruisers which have been authorized but also the work to be done on the six submarines of large size, as well as the three which are already begun, and I want to say a word about that.

Mr. BLANTON. Will the gentleman yield there?

Mr. PARKER of New Jersey. I will.

Mr. BLANTON. The word "authorized" would take in the battleships which have been suspended.

Mr. PARKER of New Jersey. No; because in the act itself it says "vessels under contract authorized or under construction, the construction of which may be proceeded with under the terms of the treaty"; so it is limited to this. I ask for a ruling.

The CHAIRMAN. The Chair thinks that the amendment is in order. This paragraph is a very broad paragraph, indeed, relating to the increase generally of the Navy. The Chair thinks it may apply to those authorized as well as to the others.

Mr. PARKER of New Jersey. Mr. Chairman, I begin by congratulating the House on the illuminating speech which was made by the gentleman from South Carolina [Mr. BYRNES] on Thursday last, and which is printed in the RECORD, and which I hope every gentleman in the House who is interested in a well-balanced Navy will read.

A navy does not consist of battleships alone. Those battleships are in a fleet, and that fleet needs to have with it not only destroyers, which can not proceed at high speed in a heavy sea, carry only light guns, and which can carry no airplanes, but that fleet needs also the fast light cruiser. We have 10 of them authorized now and under construction. This bill authorizes the completion of seven and the continuance at work at one-third speed on the other three, and those light cruisers will take some time to complete. England has of those light cruisers, according to the report of March last, which I am going to print, as I say, a part of it—England has some 50 or 60—I have not got the exact figures here—and a lot more building. We have only 10 authorized, and we have none on the sea. Mr. Denby closes by saying as to this matter—

If we are to have a fleet fit to fight we must complete our 10 light cruisers at once. Even with those completed our strength in light cruisers will be greatly below the 5-5-3 ratio.

Now, Mr. Chairman, I pass to the other matter, that of the submarines. We have some 80 or 90 submarines, but they are all of the second class. They can go out only a few hundred miles. They have no greater range. They have a speed of from 10 to 15 knots only. They have no speed that will allow them to keep up with a fleet going at 20 or 21 knots. We have authorized, now, nine fleet cruisers, which are twice or three times as big. Three of them are building. Six are only authorized, and this does not allow anything to be done except with the three that are building, and they are not enough.

If you will turn to the hearings, you will find in the testimony of Mr. Roosevelt, on page 742, that he says:

We have no fleet submarines, V 1, 2, and 3 representing our nearest approach to such. These three vessels are large submarines. Their cruising speed will be approximately 20 knots. They can go with the fleet as our other submarines can not. Slowing the work on them—

Under this bill they are to go slow on these—
from the naval aspect is indefensible.

Mr. Chairman, we are intending to do such work in increase of the Navy as will give a balance to the Navy. We need the best submarines and, as we have none now, we ought to complete those three immediately and the \$20,000,000 ought to be increased to \$25,000,000.

If we have no fast cruisers with 8-inch guns, instead of 3 to 4 inch guns as carried by destroyers, we want those fast cruisers as soon as possible; and the 10 are less than those held by Great Britain or Japan, and we never could expect under the agreement suggested in this bill to get Great Britain to reduce the number of her fast cruisers to 10 or her large submarines to 3. It is absolutely beyond all contemplation, and the fact that that clause exists in the bill is no answer to our statement that we ought now to have these fast, strong, long-range light vessels on the surface and underneath the surface in order to protect the United States.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the gentleman may have two minutes more.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that the gentleman from New Jersey may have two minutes more. Is there objection?

There was no objection.

Mr. OLIVER. Mr. Chairman, will the gentleman yield?

Mr. PARKER of New Jersey. Yes.

Mr. OLIVER. I think the gentleman is perhaps laboring under a misapprehension or misinformation if he understands we have three cruisers authorized on which work has not begun.

Mr. PARKER of New Jersey. I said seven were to be completed under this appropriation, and three were going to be slowed down, because of that, but which are still begun. We ought to have more authorized.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. PARKER of New Jersey. Yes.

Mr. BLANTON. Did the gentleman notice the statement in this morning's press from Japan that regardless of what France or Great Britain or Italy do about the four-power pact Japan is going ahead with the decrease of armament?

Mr. PARKER of New Jersey. Not of these vessels.

I append extracts from the statement of Secretary Denby of March last, made to the Committee on Appropriations as to the need of light cruisers and the larger class of submarines and the condition of our Navy in that regard:

EXTRACTS FROM SECRETARY DENBY'S STATEMENT.

THE FLEET.

Before discussing the different types of naval vessels, I desire to draw a rough picture of a modern fleet as it must be constituted to be effective for cruising on the high seas in time of war.

We will assume that the scouting force, consisting of cruisers, light cruisers, airplane carriers, and destroyers, supported by battle cruisers, has searched for and located the enemy fleet at a distance of perhaps a thousand miles from the base of the battle fleet, and that the battle fleet proceeds to sea to intercept and engage the enemy. The fleet must be disposed in a cruising formation which, with the various screening forces, will cover an area about 300 miles in depth and 80 miles in width.

The most advanced force will constitute an outer screen to guard against surprises and to drive off enemy scouts attempting to gain information. This screen will consist of light cruisers and destroyers with lighter-than-air dirigibles, if available, and airplane carriers. This outer screen extends across the front of the fleet and on each side, where it is normally drawn in somewhat closer to the main body. There will also be cruisers astern of the fleet to drive off enemy vessels attempting to trail.

Between the outer screen and the main body will be an inner screen of battle cruisers and destroyers to detect and drive off enemy vessels which get through the outer screen, and to support the outer screen where necessary.

About 20 miles ahead of the battleships will be several divisions of light cruisers, destroyers, and fleet submarines, whose duty, after deploying into battle formation, will be to protect the head of our formation from torpedo attack and to attack the enemy.

Immediately surrounding each division of battleships and the carriers accompanying them is an antisubmarine screen of destroyers.

Thus it will be seen that a battle fleet is far more than a battleship fleet. True, the battleships are the main fighting strength, but to guard this strength until the battle, and to conserve it during the battle, other types are indispensable.

LIGHT CRUISERS.

The modern light cruiser is a vessel of at least 25 knots' speed, carrying guns of at least 6-inch caliber. Those built vary from 3,500 tons to 7,600 tons and from 25 to 35 knots.

Great Britain has 68 light cruisers built, and in addition has 28 flotilla leaders of over 1,600 tons and over 30 knots—a type intermediate between destroyers and light cruisers, and a type of which we have none in our Navy.

Japan has 8 built, 6 building, and 12 projected, a total of 26. United States has 10 building.

The use of the light cruiser is threefold:

(1) The service of information (scouting). In other words, searching for the enemy fleet, and finding out what he is doing.

(2) Screening—that is, guarding our fleet against surprise and keeping off the enemy scouts.

(3) In battle supporting our destroyers in their torpedo attacks against enemy battleships, and beating off the enemy destroyers attempting to torpedo our battleships.

A military commander should engage the enemy under circumstances favorable to himself and unfavorable to the enemy. He can not decide what to do himself if he is ignorant of where the enemy is and what he is doing. Information must be the foundation of his action; it is a vital necessity.

Since a naval commander must have information, he must have many scouts. A few scouts would be ineffective to cover a large area, such as the western Pacific.

In an Atlantic or Pacific campaign a scout must have large steaming radius, long-range radio, two or more airplanes, speed to evade more powerfully armed ships, and guns to engage ships of equal speed.

Except battle cruisers, the light cruiser is the only type which meets these requirements. Our old cruisers have neither the speed nor the radius of action. Our destroyers have neither the radius, the guns, nor the radio range, and in heavy weather could not make the speed to escape enemy light cruisers. They do not carry airplanes.

SCREENING.

The immense advantage which a surprise confers on any attacking force is well known. A fleet at sea must be surrounded by a screen of vessels to guard against surprise and to prevent enemy scouting vessels obtaining information of our fleet. This duty can be performed in part by destroyers and older cruisers, but enemy light cruisers can avoid old destroyers by their speed and sink destroyers by their guns; only our modern light cruisers can properly combat enemy light cruisers attempting to pierce our screen.

IN BATTLE.

In an action between modern fleets there will be large numbers of destroyers attempting to damage or sink the battleships with torpedoes. Light cruisers support the attack of their own destroyers, break up the attack of the enemy destroyers, and in addition attack

the enemy battleships with their own torpedoes. With only approximately equal battleship forces, a preponderance of light cruisers may well mean the difference between victory and disaster.

The light cruiser has been proved by the acid test of war. At Jutland a light cruiser of each fleet first found the enemy, others warned Beatty in time to save him from the fire of the whole German fleet, and light cruisers repeatedly saved the battleships of each fleet from the torpedoes of destroyers.

Our prospective naval campaigns will not be limited as were those of the World War. They will cover half an ocean. In such campaigns it is not enough to say light cruisers will be doubly important. Without them we would enter any campaign with a nearly insurmountable handicap.

The recent conference gave international approval to a naval policy of the United States by which this Nation maintains at least a naval equality with Great Britain and a ratio of 5 to 3 with Japan.

We may consider the question of light cruisers by studying their use in war or we may accept the opinion of other powers as to their value or we may follow the ratios established by the limitation conference. By any and all of these courses we arrive at but one conclusion:

If we are to have a fleet fit to fight we must complete our 10 light cruisers at once. Even with these completed, our strength in light cruisers will be greatly below the 5-5-3 ratio.

* * * * *

LIGHT CRUISERS IN THE BATTLE OF JUTLAND.

There were 26 British and 11 German light cruisers in the Battle of Jutland.

A British light cruiser gave Admiral Jellicoe the first report of the presence of the German fleet and a German light cruiser made the first report of the British fleet.

Two light-cruiser squadrons formed a screen ahead of the British battle cruisers, and Admiral Beatty reports "their work was of great value."

At 4.15 p. m. a German light cruiser led an attack of 15 German destroyers, sinking a British destroyer and breaking up a counter-attack by British destroyers. A British light-cruiser squadron first reported to Admiral Beatty sighting the German main fleet. This report enabled Beatty to turn in time to avoid the fire of the German battleships. Beatty says "their reports were most valuable."

At 5.36 p. m. a British light cruiser attempting to get information of the German battle line was driven off by four German light cruisers, who in turn fired torpedoes at the British battle cruisers. Nine German torpedoes passed through the battle line, forcing the battle cruisers to maneuver and breaking up their formation at a critical time. At the same time other German light cruisers drove off four British destroyers, sinking one of them, and thus protecting their battle cruisers against torpedo attack.

At 6.30 p. m. the British light-cruiser squadron attacked the German battle cruisers with torpedoes, hitting the *Lutzow*, which was the only German battle cruiser lost.

Between 6.30 and 7.30 p. m. German destroyers, supported by light cruisers, made three torpedo attacks on the British fleet. These attacks saved the German fleet from decisive defeat at this time. These attacks were eventually broken up by two British light-cruiser squadrons.

At 7.58 p. m., two British light cruiser squadrons located the enemy line after it had been lost in the mist and smoke, making it possible thereby to renew the action.

At about the same time five German light cruisers repulsed an attack of British light cruiser squadrons and a flotilla of British destroyers. A British light cruiser was the last vessel to see the Germans during that action.

At about 10.30 p. m., there was an engagement between four British and five German light cruisers, in which one old light cruiser (German) was sunk by a torpedo.

About 11.30 p. m., German light cruisers repulsed the British destroyer flotilla, which attacked the German battleships. Four German destroyers and one British light cruiser were sunk.

At about 2 a. m. the British destroyer flotilla attacked the German battleships, but, as Admiral Jellicoe reports, "they were forced to withdraw by the enemy light cruisers."

From the above it will be seen that in the Battle of Jutland, the most important modern naval battle, light cruisers were used—

- (a) To find the enemy and report his position and formation;
- (b) To repulse day and night destroyer attacks;
- (c) To support their own destroyer attacks;
- (d) To attack any enemy battleships and battle cruisers with torpedoes;
- (e) To attack and drive off enemy light cruisers.

SUBMARINES.

Eighty-four submarines. The uses of submarines are—with the fleet, screening and scouting; assisting in action against the enemy fleet. Acting independently, distant scouting, observation of the enemy ports and coasts, operations against enemy trade, attack of enemy warships; defense of our own coasts and stations; mine laying.

In screening, they are formed around our own fleet to prevent attacks by hostile submarines, or in thick weather or at night by light surface vessels with torpedoes. For these purposes their small amount of surface above water and their underwater listening devices make them able to detect the approach of the enemy before they are themselves discovered, and allow them to either attack the approaching vessel with their torpedoes or warn the heavy ships of what is coming, or both. In the absence of light cruisers, with which we are very poorly provided, this service has to be assigned to the destroyers and submarines.

They are particularly well fitted for scouting for the fleet by the fact that they can see without being seen, and that if they come in contact with a much superior force they can not only protect themselves by submerging but may also inflict serious damage with their torpedoes. They are the only arm we have that can operate unsupported in the presence of superior force. For observation of the enemy in his home waters we have nothing that can compare with them. They can lie off his ports and with periscopes and listening gear keep tabs on his movements and report their information by radio.

They also have a very important part in making our own coasts and our detached stations secure from enemy action. Our fleet is, and will be for years at least, entirely lacking in battle cruisers, while other navies have them. These vessels are strong enough to deal with anything less than a battleship, and fast enough to get away from anything that they do not wish to fight. The knowledge that we have an effi-

cient force of submarines in any given locality will go far to prevent raids by such ships, or to make them costly if undertaken.

A fair allowance of first-line submarines under present conditions would be Manila 20, Hawaii 20, Canal Zone 14, fleet 48. This makes no allowance for distant independent service, but calls for a total of 102 first-line boats. We are asking this year to keep only 84 going. In addition, we expect to keep in reduced commission (with two-third crews) 27 older boats which are fit for coast service and for use in training crews for new vessels.

The 84 first-line submarines are of the O, R, S, and T classes, from 500 to 1,000 tons and from 12 to 15 knots speed. For a properly proportioned fleet we should have boats with at least 21 knots speed for service with the fleet, others with very large steaming radius for scouting and distant service, and some fitted for mine laying. None of these classes are now in service or building except three of the 21-knot type of so-called fleet submarines. They are needed, but are not being asked for this year.

All our submarines are propelled on the surface by Diesel engines, and when submerged by electric motors run from storage batteries. They are fitted with a mass of delicate machinery and fittings. The storage battery requires constant attention to keep it from deteriorating and the auxiliaries and fittings can only be kept in good order by being kept in use. It has been our experience that a submarine left idle and without a crew speedily loses a large part of her value. A large part of the machinery of a submarine is highly specialized material—Diesel engines, storage batteries, and air-compressing machinery, which is not familiar to the general service and for which there is not an available reserve of personnel even in civil life. The operation of this special type of vessel and the machinery that runs her is something that requires accurate and special training. This can not be acquired on the spur of the moment even if the vessel and equipment is ready and in perfect condition. If the submarines are ever wanted for actual service, they will be wanted on the first outbreak of trouble, and they can not be ready for such a call unless they are both materially ready and manned with crews familiar with the operation of the material and with the tactics in accordance with which their vessels will be used. Therefore, if the submarines that we have are to be available when they are called for, they must be kept in commission and in operation both for the sake of the material and of the personnel that runs it.

The crew required by even the largest submarine is small compared to any surface vessel, only 4 officers and 34 men in the case of an S-class 900-ton boat. We, therefore, contemplate keeping all our submarines in commission; those that can not be fully manned, with a two-thirds crew.

Our submarines are now distributed as follows:

Fleet submarines—	
Authorized but not appropriated for—	6
Building—	3
In commission in Atlantic—	3
First-line submarines—	
Building—	35
In commission—	
Atlantic—	14
Pacific—	11
Canal Zone—	13
Hawaii—	10
Manila—	10
Second-line submarines—	
In commission—	
Atlantic—	15
Pacific—	12
Being stripped for sale or scrapping—	15
Total built and building—	
Fleet—	6
First line—	93
Second line—	42
	141
To be scrapped (old second-line boats)—	15
	126
To be retained—	126

Mr. KELLEY of Michigan. Mr. Chairman, the gentleman from New Jersey [Mr. PARKER] has offered an amendment which would permit the construction of vessels that have been authorized but not yet begun. The only ships, I think, that answer that description are 12 destroyers, 1 transport, and 6 fleet submarines.

As to the destroyers, of course there is no occasion for building any more than we now have. We have nearly 300 destroyers, a very large excess over the number required.

Mr. BUTLER. How many in commission?

Mr. KELLEY of Michigan. And we have about 200 of them out of commission now but kept in good condition, and they will be useful in case need ever arises. But, of course, Congress does not desire to spend any more money at the present time in constructing ships of that type. The gentleman's amendment would permit the building of the 12 which have been authorized but not begun, and the Navy Department has not asked for any money for their construction.

The same thing is true of the transport. There is no demand by the Navy Department for the transport, and likewise with reference to the fleet submarines.

The gentleman from New Jersey, of course, is very well informed on matters of this sort, and he realizes that the construction of these large fleet submarines is still in the experimental stage.

The three that we are now building are in a sense experimental, and it is not definitely known at this time whether they will be successful when finished, and, of course, it is only the part of wisdom that we finish the three now under con-

struction and then if they are found to be all right the other six can be appropriated for and completed later.

Mr. PARKER of New Jersey. May I ask the gentleman a question?

Mr. KELLEY of Michigan. Yes.

Mr. PARKER of New Jersey. Has the gentleman noticed that in the hearings where the Navy Department state that they have acquiesced in the Budget under protest they likewise say that the slowing down on these three submarines is in their opinion, from a naval aspect, unadvisable and that it will cost more to complete them ultimately?

Mr. KELLEY of Michigan. The gentleman is right about that. The amount carried by the Budget was \$41,000,000 for new construction. The amount carried in this bill for that purpose is \$55,000,000. We recognized the force of what Assistant Secretary of the Navy Roosevelt advised the committee, and as the gentleman from New Jersey will see, by increasing this building fund \$14,000,000 the work on these three that are under construction may go forward more rapidly.

Mr. OLIVER. And we would destroy the very purpose the gentleman has in mind if we now undertook to put in the bill any blanket authorization for building ships, some of which, though authorized, the Navy does not need. In other words, it might take from the appropriation carried in the bill a large amount for ships not now needed, thus slowing up work on the vessels under construction. If Congress feels disposed to appropriate for new construction, there should be an additional appropriation, rather than a direction to begin new construction with the limited funds carried in the bill for ships now well advanced.

Mr. SEARS. Mr. Chairman, I move to strike out the last word. I have listened to the gentleman from New Jersey [Mr. PARKER] with a great deal of pleasure. The House may recall that in 1915 or 1916 I urged upon my colleague the necessity of building fast battle cruisers, submarines, and submarine chasers instead of large battleships and superdreadnoughts; but the World War was on, and some feared we would be drawn into the struggle, and these fears were well founded, for we were finally drawn into the great World War. The distinguished gentleman from Alabama [Mr. OLIVER], then whom there is no more able Member of this House, led the fight for fast battle cruisers, submarines, and submarine chasers. I want to take this occasion to address the House for just a few moments, because after I made that speech I was severely criticized in my State because I was supposed to be opposed to a Navy, and Florida, extending out into the Gulf about 600 miles, is, as you know, very deeply interested in the Navy.

It is gratifying to me, therefore, to see the House come around to the suggestion that I then offered. As suggested by me at that time, the superdreadnoughts have not even yet been completed, although seven years or more have elapsed. Under the 5-5-3 pact those superdreadnoughts have been cast aside, and the millions of dollars expended on them have been wasted.

It is also gratifying to me, and I am sure it is gratifying to the distinguished gentleman from Alabama [Mr. OLIVER], to know that Secretary of the Navy Daniels, practically all of the leading admirals of the American Navy, Lloyd-George of England, and the leading powers abroad, and, according to the gentleman from New Jersey [Mr. PARKER], now Secretary Denby are in accord with the attitude that we assumed in 1916.

I sincerely trust that in the future when I undertake in my humble way to make a fight to save some money for the people it will not be misconstrued or misunderstood that I am opposed to anything that is progressive, but simply that I am trying to serve my country as I see my duty. If we had adopted the amendment of the gentleman from Alabama [Mr. OLIVER] at that time, as I said, millions of dollars would have been saved, we would have had the battle cruisers, submarines, and destroyers that we ought to have and that we must have, and we would have a well-balanced and efficient Navy.

Certainly after the speeches of to-day I will not in the future be misunderstood, at least as far as the Navy is concerned.

The CHAIRMAN. The question is on the amendment of the gentleman from New Jersey [Mr. PARKER].

The question being taken, the amendment was rejected.

Mr. PARKER of New Jersey. Mr. Chairman, I desire to offer another amendment.

The CHAIRMAN. The gentleman from New Jersey offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. PARKER of New Jersey: Page 52, line 24, after the words "sum of" strike out "\$20,000,000" and insert in lieu thereof "\$25,000,000."

Mr. PARKER of New Jersey. Mr. Chairman, we have now under construction 10 light cruisers. The gentleman from

South Carolina [Mr. BYRNES], in debating that question the other day, when I asked if we would have to have the new cruisers anyhow, said we must, unless by agreement other powers scrapped the cruisers they have in excess of ours; and when we state the number that other powers have there is no sort of reasonable expectation that England will ever scrap down to the number that we have.

Mr. KELLEY of Michigan. Will the gentleman yield?

Mr. PARKER of New Jersey. I yield to the gentleman from Michigan.

Mr. KELLEY of Michigan. I am not quite sure whether the gentleman is under the impression that there are any cruisers that have been authorized by law that are not being built.

Mr. PARKER of New Jersey. I have said they are being built, but we are only going to complete 7 of them under this appropriation, and I want the whole 10 completed under it.

Mr. KELLEY of Michigan. Oh, they are all going to be completed.

Mr. PARKER of New Jersey. In time.

Mr. KELLEY of Michigan. They are not to be delayed.

Mr. PARKER of New Jersey. They are not to be completed under this appropriation. This appropriation provides for completing only seven of them and going on with part of the work on the other three.

Mr. KELLEY of Michigan. I think perhaps the gentleman is in error upon that—

Mr. PARKER of New Jersey. I know I am right.

Mr. KELLEY of Michigan. Because we have increased the appropriation by \$14,000,000.

Mr. PARKER of New Jersey. I am talking, however, about the work under this appropriation. I suppose this new appropriation is made along the lines stated by the Assistant Secretary, is it not?

Mr. KELLEY of Michigan. No; I think perhaps the testimony that the gentleman has before him was based upon the Budget figure of \$41,000,000, which we have increased to \$55,000,000.

Mr. BUTLER. The Secretary has had his own way about it.

Mr. PARKER of New Jersey. Assistant Secretary Roosevelt said at the hearing:

By the third appropriation we expect to proceed at the normal rate on the *Lexington* and the *Saratoga*, proposing to allot to each job the sum of \$8,000,000. We expect to complete scout cruisers 4, 5, and 6 by allotting the sum of \$855,000. We expect to complete scout cruisers 7 and 8 by allotting the sum of \$2,857,000. We expect to complete the scout cruisers 9 and 10 by allotting \$400,000. We will have to slow down to one-third of normal on scout cruisers 11, 12, and 13, allotting them only the sum of \$3,650,000. The normal allotment would be \$9,000,000.

That is on page 741. Now, when it comes to submarines, he says they will have to slow down on them, and we certainly need those three submarines, and in order to get those three submarines this appropriation ought to be increased in order to allow us to complete them within the year. That is all I have to say.

Mr. OLIVER. Is the gentleman informed as to what the Navy Department contemplates doing with the \$14,000,000 which the bill carries above the Budget estimate? The gentleman is reading from a statement made when the official making the statement was under the impression that the committee would appropriate only \$41,000,000, as recommended by the Bureau of the Budget. The committee, after an exhaustive hearing, concluded that it would prove economical in the end to grant an increase in the Budget estimate of \$14,000,000, thus insuring the earliest completion of the ships now building.

Mr. PARKER of New Jersey. I did not understand that it covered these vessels. Can the chairman of the committee tell me what they do contemplate doing?

Mr. KELLEY of Michigan. We do not allocate the money to any particular ships; that will be in the discretion of the Navy Department.

Mr. PARKER of New Jersey. The gentleman from Alabama asked me how the Navy Department expected to allocate it. Can the gentleman from Michigan answer?

Mr. KELLEY of Michigan. No; I can not. If they did allocate it, they might later on find circumstances required a different allocation.

Mr. PARKER of New Jersey. I think they ought to have ample funds, and I move to increase the \$20,000,000 to \$25,000,000.

Mr. OLIVER. I want to say to the gentleman from New Jersey that my reason for asking the question was because I felt the gentleman was under the impression that it had been so allocated as not to accomplish the early completion of the cruisers now building.

Mr. PARKER of New Jersey. I do not think the committee have allocated it. Unfortunately, they do not allocate it as they did under the old form of bill, so that you can tell what they

are doing. Now the committee says that it does not know where the sum will be allocated. I think the House ought to be informed where they expect it to be allocated; and, at any rate, I want enough to cover the work. Will the gentleman tell me that if all the work under construction were to be completed within the next year that is allowed by the treaty it would be more than the \$25,000,000?

Mr. OLIVER. Yes; there are 56 vessels now in course of construction, and there will be needed something like \$40,000,000 or \$50,000,000 more than that now carried in the bill to finish this construction program, which includes the completion of two aircraft carriers.

Mr. PARKER of New Jersey. I move, then, that we have \$5,000,000 more. They need it badly.

Mr. MONDELL. Mr. Chairman, I ask unanimous consent that I may proceed for 10 minutes.

The CHAIRMAN. The gentleman from Wyoming asks unanimous consent that he may proceed for 10 minutes. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Chairman, I am in harmony with the view of the gentleman from New Jersey, who has just taken his seat, that there should be such orderly and expeditious development of the work of construction in the Navy as will, within a reasonable length of time, give us a completed Navy as now authorized under the treaty, but I believe that all that is abundantly provided for in this bill as reported. As a matter of fact, I think if there could be any proper criticism of the work of this committee—and I certainly have none to suggest—it would be that the committee has been rather liberal in appropriations for the Navy all along the line. We have under the item of construction made available \$55,000,000 in addition to certain indefinite sums that still remain of the \$45,000,000 appropriation for construction in the bill for the current year. This is in addition to the very considerable amount of material that is available, not only for repairs but some of it at least for new construction work. Take it altogether the appropriation and authorization in this bill, the unexpended balances, the material available for use, I think it would be a fair estimate of the amount available for new construction of the Navy for the next fiscal year to place it at about \$65,000,000. Well, it strikes me that is a very goodly sum to spend on the Navy of the United States in piping times of peace and following an international agreement on the limitation of naval armament. I think that is going quite fast enough.

In that connection, Mr. Chairman, may I suggest to gentlemen who are going about over the land endeavoring to create the impression in the minds of the people that the Navy is being neglected, that we are not building it up as rapidly as we should or sustaining it as we should, that they at least get their facts straight before they present their alleged arguments to the country as they have been doing through newspaper and magazine articles and in various sundry and divers ways.

The committee very properly placed in this bill as a concluding paragraph a suggestion for the calling of another international conference for the purpose of placing some limitation on naval craft smaller than the great battleships; smaller, lighter, and less expensive than the ships which were limited by the recent international agreement.

If I were to have had the drafting of that paragraph I think I should have drafted it in just a little different form. I do not think that the President needs any urging on the part of Congress to do this thing when it may seem wise, advisable, and practicable to do it. Considering the matter, however, as a mere expression of opinion on the part of Congress that it would be well at the proper time to call such a conference, it is an entirely proper provision.

But if I may make the suggestion, I think that the importance of suggesting to the nations of the earth another meeting grows out of the persistent agitation on the part of men, both here and abroad, who desire enormous expenditures for naval purposes rather than out of any condition existing anywhere on earth absolutely necessitating a further agreement.

Mr. BEGG. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. BEGG. France and Italy have not yet signed the other agreement.

Mr. MONDELL. That is true. I believe, however, they will, but I prefer not to go into a discussion of that particular matter. We will discuss that a little later when it is reached. I am referring to it now only to point a moral and adorn the tale.

Mr. Chairman, I have not been very greatly impressed with the reports that certain gentlemen believe have been received or that certain gentlemen say have been received from foreign parts indicating an intention on the part of foreign govern-

ments to go far afield in the development of smaller craft, with a view of at least partly overcoming any handicap that may have been placed upon their governments by the limitations placed on larger ships.

Since any of us can remember this is about the time of year when, according to current report, armies and navies, particularly navies, are being enlarged and extended all over the world. Just about the time when we are considering the naval appropriation bill and for a considerable period prior thereto we hear a great deal about foreign proposals of increase, expansion, and enlargement of naval establishments, and we generally discover later that at least a large part of that increase exists only in the imagination of certain gentlemen who are tremendously interested in great naval expansion. It is unfortunate that we have at one time and another had experience as legislators which leads us to have doubts and reservations relative to the accuracy of information that comes to us in regard to these matters, even through official channels. Those charged with responsibility as administrators under the Government ought to realize how unfortunate it is to have the Nation, and particularly Members of Congress, inclined by their experience to doubt the entire accuracy of information transmitted either officially or unofficially from official sources touching these important matters. I hope the time will come when some one high in the Government will lay down the law to the departments of the Government, and all of them need it, that they should be very careful that any information they give out or statements they make in support of their policies or proposals shall be accurate and based upon facts that can not be denied or successfully disputed. We will have a very much better condition of affairs when that is accomplished. [Applause.]

This bill carries appropriations amounting to \$291,000,000, but in addition to that the bill makes available for construction some \$35,000,000, so that as presented to us to-day it is not a \$291,000,000 naval bill, but a \$325,000,000 naval bill.

That, however, does not tell the entire story, because, as I have stated, there are or will be certain appropriations or remnants of appropriations available that can be used for construction during the coming year, and in addition to that the Navy has large surplus supplies on which it is drawing constantly. Reference was made a day or two ago to the fact that there are a large number of Liberty motors available for use, so that our appropriation of \$5,000,000 for new aircraft is, in fact, enlarged by the value of the motors now on hand that would be utilized in new airships. There are large reserves in ordnance, in supplies of various sorts, so that putting the matter in a very conservative way—and I should like to be corrected if I am extravagant in my statements by some gentleman of the Naval Committee—the Navy will have available the coming year for its various activities and operations certainly not less than \$350,000,000, probably considerably more.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. MONDELL. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MONDELL. It may be, Mr. Chairman, that we have not as large a Navy, as sufficient a Navy, as well-rounded a Navy, as some gentlemen think we ought to have, but we certainly ought to have a very goodly Navy, a very sizable Navy, a high-class and efficient Navy, with an expenditure of \$350,000,000 of the people's money per annum.

Mr. COCKRAN. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. COCKRAN. Does the gentleman think any Navy is any good that is not the best and the strongest?

Mr. MONDELL. Some time when both the gentlemen from New York and I get into the Senate, where there is no limitation of debate, I shall be very glad to discuss that question with him.

Mr. COCKRAN. That is the first attraction the Senate has had for me.

Mr. LONDON. Is not that navy best which is most suitable for the purposes of the country and the Government?

Mr. MONDELL. The gentleman has stated it accurately.

Mr. LONDON. It is not a question of comparative numerical strength in respect to other navies.

Mr. MONDELL. Not altogether by any means.

Mr. COCKRAN. Will the gentleman tell us what else it is for?

Mr. LONDON. Oh, I have settled the matter without waiting for the Senate.

Mr. COCKRAN. It is settled in the mind of the gentleman from New York, but I want to see if we can not settle this in

the mind of common sense. For what else is it available or valuable except for the purpose of sustaining the power of the Government that sustains it?

Mr. LONDON. I want to say that the common sense of my colleague is too common for me.

Mr. COCKRAN. Oh, that is disputed.

Mr. MONDELL. Mr. Chairman, the President very properly called the Conference on the Limitation of Armament in order that we might get away from this never-ending strife for the biggest and most expensive navy. Prior to our entrance into the World War we were spending for the Navy about \$140,000,000 annually. We are now spending upward of \$350,000,000 annually—considerably over double the amount we then spent. We are trying to economize along all lines. We have denied many perfectly reasonable and legitimate requests for public expenditures. We certainly do not want to economize at the expense of a good Navy, of a sufficient Navy, but I think it would be very well indeed if the gentlemen who are responsible for the Navy would spend a little more of their time seeing how good a Navy they can secure with the very liberal expenditure which the Congress is disposed to make, rather than in urging new avenues, new lines of expenditure. Mind you, I do not blame a naval man, naval experts, for calling the attention of Congress to what in their opinion is essential; if we are to have a perfect Navy, from their standpoint, that is their duty; but it is also the duty of the Congress to take into consideration all of the factors of the case and view the matter, not from the standpoint of the naval expert alone but also from the standpoint of the practical legislator who desires that his country's defense shall be adequate, but must still keep in mind the fact that expenditures for defense should bear some reasonable relation to the total sum which the Nation can afford to appropriate and expend.

Mr. OLIVER. Mr. Chairman, I ask for five minutes. I will ask the chairman's attention to this amendment which I offer.

The CHAIRMAN. There is an amendment pending now.

Mr. OLIVER. Simply for information.

The CHAIRMAN. The amendment will be read for information.

Mr. KELLEY of Michigan. Can not we have the other amendment disposed of?

Mr. BEGG. Can we have it reported?

The CHAIRMAN. Without objection, the amendment will be again reported.

The amendment was again reported.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The gentleman from Alabama offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. OLIVER: Page 54, line 8, after the figures "\$35,000,000" insert "any unexpended balances from appropriations made in this bill not authorized to be carried over to the fiscal year 1925 shall constitute a fund available for any new ship construction hereafter authorized by Congress."

Mr. MONDELL. Mr. Chairman, I make the point of order against that amendment as changing existing law.

Mr. OLIVER. I will ask the gentleman to reserve it.

Mr. PARKER of New Jersey. Would the gentleman like to have it now or hereafter authorized; quite a number are authorized now.

Mr. OLIVER. I purposely put it in so that Congress will have control over it.

Mr. MONDELL. I reserve the point of order.

Mr. OLIVER. Mr. Chairman, the amendment I offer was largely suggested by the speech of the gentleman who has just taken his seat, and if he will read the testimony before the subcommittee and the statements made to the House by the chairman of the subcommittee [Mr. KELLEY of Michigan] and the gentleman from South Carolina [Mr. BYRNES] in reference to the pending bill he will understand that this amendment might serve a wise purpose. I am in agreement with the gentleman that the amount carried by this bill, including authority to use reserve supplies, approximates \$335,000,000, which amount should prove adequate for the maintenance and operation of an efficient Navy and at the same time provide a reasonable sum for construction. Our people are willing to properly sustain the Navy, and I believe that in normal times it can be done within the limits of the appropriation carried in this bill. The time is now propitious for sane economies to be practiced in the maintenance and operation of the fleet we now have, and certain conditions have been pointed out in the hearings and in the discussion of this bill that suggest that some of the ships of the treaty Navy are in such condition as to need modernizing before they can be considered of real military

value, and since no funds have been provided for modernizing them at this time why should such ships be kept in active commission, at great expense, when by putting them in reserve, with a small personnel, the savings thus accomplished would give us a fund sufficient to build some new vessels, which all our naval experts say are urgently needed? Give to the Navy an opportunity of translating into new ships the savings accomplished by keeping in commission only the ships of real military value at present, and they will weigh the relative value of operating ships with little military value until modernized at large expense and the saner policy of putting such ships in reserve until funds are provided for reconditioning the same, and especially if by so doing they are assured a fund with which to build the new types recommended by the General Board as urgent, and which recommendations have the hearty concurrence of the Navy Department. It costs approximately \$2,000,000 to keep one of the large capital ships in full commission for one year, and when you remember that at present we confessedly have six, if not more, capital ships that must be modernized before they could be made effective in any war with a foreign power you can well see what the possibilities are for raising a saving fund for the purposes indicated in the amendment I offer.

Mr. MONDELL. Will the gentleman yield?

Mr. OLIVER. Yes.

Mr. MONDELL. The gentleman's theory is a very ingenious one on which he might believe it would work out, but does the gentleman believe that those in charge of the Naval Establishment would be particularly inclined to economy because of the fact that some savings might sometimes be used for construction when authorized which might never be authorized?

Mr. OLIVER. I will say this to the gentleman: If he will take the time to inquire fully into this whole matter he will learn how insistently our naval advisers are knocking at the door for additional funds to modernize ships now in commission, and to build certain new types, so as to make efficient those we now have, and unquestionably their admonitions must be heeded if we expect to maintain a Navy on the basis and within the limits fixed by the treaty. Give to the Navy in the peace year 1924 an assurance that any savings made will constitute a fund available for new construction, and I think they will find some way to raise that fund. I think I have suggested where large savings may be effected without endangering our country's defense during 1924, and without hurt to the Navy that we now have.

If ships now in commission are of but little military value until modernized, and Congress now fails to give the funds necessary to modernize these ships, why should such ships be kept in full commission if, by putting them in reserve, the Navy is assured of a fund which Congress may later use for new construction or even for modernizing the old ships, if the Navy Department could show that this was the wiser course to follow?

If you are interested in saving, supply, as this amendment seems to do, an incentive and a method where the relative merits of different courses can be considered and determined on.

The CHAIRMAN. The time of the gentlemen has expired.

Mr. OLIVER. May I have three minutes more?

Mr. BUTLER. I ask unanimous consent the gentleman have five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania? [After a pause.] The Chair hears none.

Mr. OLIVER. Now, I happen to know that the distinguished gentleman from Pennsylvania [Mr. BUTLER] and the committee of which he is chairman have given some study to this subject, and doubtless they would be glad to lay before Congress authorizations for modernizing some of the present capital ships and for new construction if they felt there was even a reasonable probability of securing appropriations therefor. The amount carried now for the Navy, amounting as it does to approximately \$335,000,000, makes doubtful, if not impossible, any increase, even though the necessity of modernizing the existing fleet and adding new types, as recommended by naval experts, may be shown and strongly urged by the department. Any authorizations made which will involve an appropriation in excess of \$335,000,000, I am afraid, will have a long, long sleep before Congress will consent thereto.

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. OLIVER. I will be glad to.

Mr. BUTLER. If the officers of the Navy would throw aside some of these old tubs that cost us a lot of money, then we would be prepared to offer them something better. But as long as they insist on sailing around and spending money on ships that can not be successfully used we can not do it.

Mr. MONDELL. Why should they use the money?

Mr. BUTLER. I do not want to take up the time of the gentleman from Alabama. I know what he is aiming at, and I hope he will be successful in reaching it.

Mr. OLIVER. No harm can be done by the adoption of this amendment, and, as stated above, I think it well to hold out as an incentive to those who will have the spending of this \$335,000,000 during 1924 the chance and opportunity of translating into a more efficient Navy any savings that can be effected. I have great confidence in and respect for the officers of the Navy and also for the Secretary of the Navy, and I believe they are interested in trying to accomplish savings, especially where it is felt that any savings will be used to make the Navy more efficient.

I am in hearty sympathy with the last paragraph of the bill, and with the knowledge we had of what is now needed to even maintain our Navy on a peace treaty basis, if other naval powers continue the construction of new ships, we felt that it was important to request the President to call a further conference of the naval powers with a view of placing further limitations on naval construction. If it is the desire of Congress to maintain a navy such as that contemplated in the treaty, then this conference must be called and definite action taken to further check construction. If the powers are unwilling to place further limitations on construction, then there is but one thing for Congress to do, and that is to weigh carefully the advice and recommendations of our naval experts with a view of providing funds necessary to keep our Navy on the 5-5-3 basis, as provided for in the treaty. Since the signing of the treaty our country has followed not only its letter but its spirit, and has failed to authorize any new construction whatever.

The amendment as drawn makes the saving fund available for new construction hereafter authorized by Congress, and you will recognize that this is a very proper limitation on the expenditure of the fund, since the bill requests the President to call a conference of the naval powers for the purpose of limiting further construction as to the very types of vessels which the saving fund purposes providing for. I recognize that the amendment is subject to a point of order, but I hope that the gentleman from Wyoming will not insist on it.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. FRENCH. Mr. Chairman, I have tremendous respect for my colleague on the committee, but I do not follow him in the recommendation he makes as suggested by the amendment. If we assume that the department, through the different bureaus, would make the estimates in any way that he thinks they are capable of being reduced, so that at the end of the fiscal year a fund could be accumulated that could be used for construction purposes, we would need to assume that the estimates made by the several bureaus would themselves be altogether too large, and that the sub-subcommittee and the full committee of the Congress shall have approved, under what you might call inaccurate recommendations by the different bureaus, items for the appropriation bill.

Mr. OLIVER. Mr. Chairman, will the gentleman yield?

Mr. FRENCH. I will be glad to yield.

Mr. OLIVER. I stated that I felt that the savings, if effected at all, would be effected out of operations of the fleet, and I gave the reasons why I thought that the Navy Department, if it were assured in advance that the savings thus effected would be used for the purpose of strengthening the Navy, might feel justified in taking what they would otherwise not take, steps looking to economies in the operation of the fleet, so that these economies in the operation of the fleet would be translated into a strengthening of the fleet.

Mr. FRENCH. I think there would be a good deal in the suggestion if the Navy could utilize the appropriations in the fiscal year for which the appropriations were made. But I do not think the general purpose sought by the gentleman would be attained if it were carried over through a series of years. At present any unexpended balance goes back into the Treasury. Under the plan proposed by the gentleman, instead of the unexpended balance going back into the Treasury, it would go into a fund that would be administered independent of the Congress, and under which the Navy Department could supplement the appropriations made by Congress.

It seems to me that the gentleman is probably correct in his logic as to the first year, the first fiscal year as to which the amendment would apply, but beyond that first year it seems to me that the vice of the amendment would be this: It would encourage every bureau chief to make his recommendations generously to the Budget and to the Congress, with the idea that the estimates would be accepted in the largest terms so as to swell the fund, which in succeeding years could be used

as a building fund to supplement appropriations made by Congress.

For my part, it seems to me that it is altogether the part of wisdom to retain in the Congress itself, year by year, on the basis of the facts presented by the Navy Department, the authority to make the appropriations for the coming fiscal year, to shape the building program as we go along, and to look forward to a building program definitely under congressional control, rather than to turn this responsible work over to the Navy Department in such large degree, enthusiastic as it always is in the pursuit of a naval program.

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. FRENCH. Yes.

Mr. BUTLER. Can the gentleman give in an outline the number and character of vessels that the department is keeping in commission at this time?

Mr. FRENCH. That is all set forth in the hearings.

Mr. BUTLER. I would like to look at it some time.

Mr. FRENCH. There are 324 vessels now in commission.

Mr. BUTLER. Three hundred and twenty-four?

Mr. FRENCH. Yes.

Mr. BUTLER. It is important for Congress to know that.

Mr. FRENCH. Now, Mr. Chairman, let me make a few other observations pertinent to this paragraph pertaining to the increase of the Navy, and also pertinent to the final paragraph of the bill, having to do with an expression of Congress touching the building program not included in the terms of the limitation of armaments agreement.

No one can read the history of the great countries of the world during the past 25 years without being impressed by the thought that as increased naval programs were entered upon by Great Britain, the United States, Germany, France, Japan, and Italy, the main argument in favor of the increase by any country was the argument that other nations that were potential enemies were themselves making a drive looking to an increase of their navies, in other words rivalry and competition upon the sea. For a more recent lesson, look back to the armament conference of a year ago. The one thought that was in the minds of statesmen who were here at that conference from the several countries represented, was how to protect the interests of the country to which particular delegates were accredited, not measured by what the country needed within itself, but what the country needed with respect to other nations. In other words again, the principle of rivalry, of competition, if you please.

A year ago we worked out a program looking to the limitation of armaments as respects the number of battleships, their size, their tonnage; the number of airplane carriers, their size; the size and number of guns upon the several ships; and other features pertaining to a splendid program.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

Mr. FRENCH. May I have five minutes more?

The CHAIRMAN. The gentleman from Idaho asks unanimous consent that his time be extended five minutes. Is there objection?

There was no objection.

Mr. FRENCH. Now, only a year having passed by, we find another program urged in responsible quarters which, as was said by the chairman [Mr. KELLEY of Michigan] when he outlined the general purposes of this bill two or three days ago, would mean not the saving to the people of this country that which we expected would be made possible by the refusal to continue a competitive program of shipbuilding, but, rather, a still greater expenditure through a program applied to craft that are now permissible to be built under the terms of the limitation of armaments agreement—a program that would absorb far more than we will save. I refer to a program of building additional craft, including the swift cruisers upon the one hand and submarines upon the other. What is the argument? It rests upon what other nations may do. If you are going to have submarines, as some nations urge, then you must have the antidote for submarines—swift sailing cruisers—in order to put the submarines of a rival nation out of commission.

For my part, then, I believe we ought to adopt the last paragraph contained in this bill, under which an expression is made of the idea of the Congress, reinforcing the President in his great purpose to bring about the limitation of armaments of the world. And I believe we may be hopeful at this time that there is in the minds of statesmen of other nations a purpose to follow along the lines suggested by the paragraph in this bill. Within the past few days the papers have carried the story of what is going on in South America, how statesmen in Argentina and Chile and Brazil have thought the time has come

when among the nations in their part of the world they may have an agreement limiting armies and limiting the ships belonging to the navies of those respective countries.

Read the discussions in the foreign magazines, carried on by the writers of those great nations that had a share in the last conference a year ago. You will find some propagandists pushing for large navies, looking to see where they can find loopholes in the present agreement. On the other hand, you will find substantial statesmen who are urging that that conference agreement be interpreted in the spirit as well as the letter in which it has been written, to the end that the nations entering into that agreement and all nations shall have a standard of limitation of armament, so that in the years to come we will not be laying upon the backs of the people of the world enormous burdens for the purpose of keeping up competitive navies.

The United States is strong enough and great enough and disinterested enough to lead on in this program for humanity, and I want the world to know that the Congress applauds the President for his great accomplishments for peace, and extends to him our fullest support in more adequate understandings among the nations that will set the standard for military and naval programs.

Mr. MONDELL. Mr. Chairman, if I could accept the view expressed by the gentleman from Alabama [Mr. OLIVER] that his amendment would result in real economies, I should be inclined to withhold the point of order; but I doubt if you can bring about economies in the Navy by saying to the gentlemen of the Navy, "If you will forego poundcake, you may have more candy."

Mr. BUTLER. It will lead in the right direction.

Mr. MONDELL. As a friend of the Navy, I do not want to admit that naval officers are retaining in commission, simply because they have the money that they can use for that purpose, ships that are of no real value in the national defense. I do not think that naval officers should need rewards of merit, suggestions of additional grants to persuade them to do what it is their duty to do, which is to tie up, sell, sink, or scrap vessels that are not useful in the national defense. They ought to do that as a matter of duty, and I should not want to believe that the Secretary of the Navy, the Assistant Secretary of the Navy, and the officers of the Navy, in all of whom I have great confidence, would keep in commission ships that are not necessary. And in order to accept any such amendment as that proposed by the gentleman from Alabama we must take the view that these gentlemen of the Navy do continue to keep in commission ships that are of questionable value from the standpoint of national defense. I do think it would be very well for the Navy and its officers, all of them, to take this matter into consideration, and see if it is not possible to put out of commission a very considerable number of ships that are now being utilized.

And another thing, if I may touch upon a question which is a tender one with some gentlemen of the Congress, I think the Navy might very well consider and definitely pursue a plan under which we shall have less navy on the dry land, particularly fewer naval yards and stations. There is to be found the largest leak in naval expenditures—unnecessary yards, unnecessary stations, yards and stations not needed for the maintenance of an efficient navy, as everyone knows who is informed on the subject.

Mr. BLANTON. I ask for the regular order.

Mr. MONDELL. Mr. Chairman, I make the point of order against the amendment.

The CHAIRMAN. The Chair thinks the amendment is clearly legislation and sustains the point of order.

The Clerk read as follows:

No part of any appropriation made for the Navy shall be expended for any of the purposes herein provided for on account of the Navy Department in the District of Columbia, including personal services of civilians and of enlisted men of the Navy, except as herein expressly authorized: *Provided*, That there may be detailed to the Bureau of Navigation not to exceed at any one time 34 enlisted men of the Navy.

Mr. TILSON. Mr. Chairman, I reserve a point of order on the proviso. I wish to ask the gentleman from Michigan a question. What is the necessity for this provision? Do they not already detail men for this work when necessary and is there any danger that they will detail too many?

Mr. KELLEY of Michigan. In response to the question of the gentleman from Connecticut I will say that the Bureau of Navigation is the only bureau in the Navy in the District of Columbia that has had assigned to it any enlisted men. All the other bureaus are operated by civilian employees. The committee was not in sympathy with the idea of assigning enlisted men to the bureaus in Washington, but the Bureau of Navigation has been made an exception to the rule. This grows out of the fact

that since the war this bureau has had a tremendous amount of work, more or less temporary in its character, and we thought it proper that a few enlisted men should be assigned to it temporarily. They have a voluminous correspondence from all the States of the Union with reference to the records of enlisted men during the war. The situation has not reached normal yet, and it seemed better to permit the employment of a few enlisted men than to take on civilian employees permanently. As the work was temporary in its character, we thought it advisable to permit the bureau to use the 34 enlisted men—the number they have there now—until such time as the regular civilian force can handle the business of the bureau.

Mr. TILSON. It seemed to me a wise provision and that there was no occasion for limiting it; that there might be occasions where they might have reason for the use of even a larger number.

Mr. KELLEY of Michigan. The portion of this paragraph coming before the proviso to which the gentleman from Connecticut draws attention provides that enlisted personnel shall not be detailed to the bureaus in Washington.

Mr. TILSON. Has not the department been doing it?

Mr. FAIRFIELD. Does not the Secretary of the Navy have authority to detail to the bureau?

Mr. KELLEY of Michigan. No; this proviso will allow him to detail 34 men to the Bureau of Navigation.

Mr. TILSON. It is only current law.

Mr. KELLEY of Michigan. I concede that it is subject to a point of order.

Mr. TILSON. If the first part of the paragraph were not here there would be no restrictions.

Mr. KELLEY of Michigan. If the proviso was not here the Bureau of Navigation would have to discharge the 34 men. I think it is clearly subject to a point of order; but I hope the point of order will not be made.

Mr. TILSON. Mr. Chairman, I withdraw the reservation of the point of order.

Mr. FAIRFIELD. I make the point of order.

The CHAIRMAN. The Chair sustains the point of order, and the Clerk will read.

The Clerk read as follows:

No part of the appropriations made in this act shall be available for the salary or pay of any officer, manager, superintendent, foreman, or other person having charge of the work of any employee of the United States Government while making or causing to be made with a stop watch or other time-measuring device a time study of any job of any such employee between the starting and completion thereof, or of the movements of any such employee while engaged upon such work; nor shall any part of the appropriations made in this act be available to pay any premiums or bonus or cash reward to any employee in addition to his regular wages, except for suggestions resulting in improvements or economy in the operation of any Government plant; and that no part of the moneys appropriated in each or any section of this act shall be used or expended for the purchase or acquirement of any article or articles that, at the time of the proposed acquirement, can be manufactured or produced in each or any of the Government navy yards of the United States, when time and facilities permit, for a sum less than it can be purchased or acquired otherwise.

Mr. FRENCH. Mr. Chairman and gentlemen, it would be impossible for me to permit the discussion under this bill to come to an end without expressing to the House what is in my heart to say touching the chairman of the subcommittee, Governor KELLEY. I am sure that I convey not only the sentiment of members on this side of the aisle but of the full Committee on Appropriations and the membership of this House, regardless of party, when I say that it is with profound regret that we realize that his services for the time being will come to an end with the conclusion of this session of the Congress. [Applause.]

Mr. KELLEY is rounding out now a period of 10 years' service, and during that time has had come into his life the experiences that come to the lives of all the Members of this body, and then some experiences that come to but few Members of the House of Representatives.

During the first year he was here he had the experience of being what you might call under observation from his colleagues. They were looking him over. They were taking his measure, if you please. All Members go through that period. Then Governor KELLEY had the experience, which does not come so generously to our membership, of having it recognized that here was a man who possessed great mental attainments, unflinching courage, remarkable industry, mental integrity, and with it all such a lovable and attractive personality as ingratiated him into the hearts of the Members of this body. [Applause.]

Mr. Chairman, those of us who have served here for any length of time realize that the work of the House of Representatives is essentially teamwork—important, essential, yet, after all, teamwork. Look over the record of two years just

gone by and think of the work that has been done, but as you look about over the membership of this House, splendid men and women, as a matter of fact you can find but few names that will attach permanently to the legislation or policies of the Congress. Go further and look back over 20 years' work of the Congresses of the different political parties.

Much legislation has been accomplished; policies have been defined; great and strong men have moved in this Chamber; and yet as you endeavor to recall the names of Members that are attached to policies of government or great pieces of legislation, you must recognize that they are few. The greatest compliment that commonly can be paid the individual Member of this body is that which is paid when it can be said that he was a strong Member of the team.

To Governor KELLEY at once may be paid that compliment. But of him more must be said. During his service here in unusual degree there has come to him that which comes to the rare Member of this Congress—the opportunity through his own force, his own genius, of writing his name upon a great policy of government.

I refer especially to the work of last year. Ten months ago there was given to the world the result of the Limitation of Armament Conference. It represented the splendid idealism of your President. It represented a formula prepared under the leadership of your masterful Secretary of State. And yet after it had been ratified by the members assembled around the conference table 10 months ago, it would have failed in its mighty purpose if it had not been interpreted by the Congress of the United States and by the legislative bodies of other of the world's powers. To Governor KELLEY, more than to any other man, belongs the distinction of interpreting the work of the convention and writing into actuality, into a legislative program, if you please, the principle, the spirit of the Limitation of Armament Conference. [Applause.]

One other word. I am sure I voice the thought of the Members of this body when I say that it is our wish that in the earliest possible time the good people of Michigan may see fit to call upon Governor KELLEY again, to draft him for such position of responsibility where the people of this country and the world may have the full advantage of his wonderful ability and of his genius for statecraft. [Applause.]

Mr. MADDEN. Mr. Chairman, the passage of this bill will in large measure complete the active cooperation of the distinguished gentleman from Michigan [Mr. KELLEY] in the work of the Appropriations Committee, because he is to leave us on the 4th of March next. As chairman of that committee I want to testify to the wonderful genius of this man, to his constant and loyal devotion to the cause of the people, to his hearty cooperation in every phase of the great work with which this committee is charged. He is a wonderful adviser and counsellor, with a wisdom and tolerance seldom embodied in an individual—always placid, always strong, always courageous, never in a state of mind that tolerates bickering, not easily disturbed; a man of great conception and influence and a master of detail, marvelous in his ability to visualize. He has a vision that is nation-wide. He has never spared himself nor has he ever had a personal objective. His work has been a real service—and what splendid service he has rendered! The American people owe him a debt of gratitude for his unselfish and patriotic devotion to their cause. We will miss him in the House. The Committee on Appropriations will miss him as a great committeeman. No one will miss him as much as I, because I have leaned on him for his advice and counsel. He has always been true. His integrity of purpose and intellect are unassailable. He knows no hours, he fears no work. He denies no requisition that is made upon him. His mind, his heart, and all of his physical forces are at the command not only of the chairman of his committee but of the House and the American people. God speed him in whatever he may undertake to do in the future. I am sure that wherever he goes or whatever he may do he will deserve the confidence, respect, and esteem not only of the community in which he lives but of the great American public. [Applause.]

Mr. MONDELL. Mr. Chairman, the Congress of the United States is composed of strong men, picked men. The various constituencies of the Nation send here their strong and virile and forceful characters, men acquainted with public affairs, men who have made their mark at home, men who are qualified for the highest public service. In view of that fact, when a man stands out preeminently here in strength of character, courage, and virility, he is indeed a strong and forceful character. Such a man is PATRICK KELLEY, of Michigan. [Applause.] From the standpoint of my responsibility here I owe him a debt of gratitude. He is not only able and forceful, a man of sane views and sound opinions, but a man who realizes the importance of con-

sultation, of cooperation, of teamwork. In all the important work that he has had charge of here he has not only performed his part splendidly, but he has consulted with his colleagues and those charged with responsibility and carried on his work in cordial agreement and cooperation with them. Through it all he has been a good friend, a pleasant companion, a delightful character, who even in his most forceful and emphatic moments has retained the smile that never comes off, and even in temporary defeat—for sooner or later all men who have responsibility in important matters on this floor meet with at least temporary defeat—he has been, as always, a suave, smiling, genial gentleman. I join with those who have spoken in wishing for our honored colleague long life and abundant success in whatever he may undertake. [Applause.]

Mr. BYRNES of South Carolina. Mr. Chairman, as the ranking member on this subcommittee, I desire to add a few words to what has been said about our colleague. I am, of course, in hearty accord with the tributes which have been paid to him by the three gentlemen who have preceded me. I have served with many members on the majority side, and I think I can truthfully say that I have never served with any member who demonstrated greater loyalty to duty than has the gentleman from Michigan [Mr. KELLEY]. I particularly want to say this, that during the time that I have served with him on this subcommittee never once has it been necessary to take a vote of the subcommittee, never once has there been a partisan decision, never once has there been any suggestion made as to the politics of any member of the committee, but, in accord with recognition of the fact that in the Appropriations Committee there should be no politics, every problem has been solved. Never has there been a time that I did not know that no important provision would be considered without my first being notified of the provision in question. It is a pleasure for a member of the minority to serve with such a gentleman, and I join with the gentleman from Wyoming [Mr. MONDELL] in expressing the hope that whatever he may do, to whatever walk of life he may devote his efforts, success shall attend him. Certainly he will take with him the affection of the Members of this House. I know that with his efficiency, his intellect, his energy, and his ability as an advocate, with which we are all so familiar, in the private walks of life he may work to greater advantage to himself, but if the time shall come when he is again returned to public life, the public will be the gainer, for the public has seldom had a more faithful servant than the gentleman from Michigan. [Applause.]

Mr. OLIVER. Mr. Chairman, since coming to Congress I have been on the same committee with the gentleman from Michigan [Mr. KELLEY], and I know that the Members of the House, irrespective of party, share a sincere and common regret that he, our friend, will not be in the next Congress. We will miss his genial companionship, his sound judgment, and wise counsel. His splendid mind and fine spirit make his personality a very perfect human engine for worth-while accomplishments in every field of human endeavor where he labors. One need but examine the hearings before the Committee on Naval Affairs and before the subcommittee on naval appropriations to know that his official life has been one of great industry, of intelligence well directed, and of real achievements the memory of which will remain with us always as an inspiration and a beckoning to high and helpful public service. [Applause.]

Mr. GARRETT of Tennessee. Mr. Chairman, I am sure that I can not add in language to what has been said by the gentlemen who have preceded me, but I should not feel just right if after the many years of association which it has been my honor to have with the gentleman from Michigan [Mr. KELLEY], after years of observation of his labors, I did not voice or try to voice, with all the sincerity which is in me, the profound admiration which I have for the character, the ability, and the intellect of the gentleman from Michigan. The Congress is indebted to him, but above and beyond that the country is indebted to him for the years of faithful, honorable, and efficient service which he has rendered to it. [Applause.]

Mr. CRAMTON. Mr. Speaker, as a citizen of Michigan, as his fellow for nearly 10 years on the delegation of that State in this House, as his friend and political associate for a score of years, it naturally is highly gratifying to me to hear recorded in this Chamber to-day such splendid voluntary recognition of the great ability and worthy public services of Hon. PATRICK H. KELLEY. Such praise from men highly honored by great States, North and South, East and West, members of both the great parties, all real leaders upon this floor, given in such generous and unsolicited fashion, is praise indeed. In the busy turmoil of the strife and stress of legislation, serious and busy

men have felt it worth while to stop a moment, turn aside from contest and partisanship to say to a deserving public servant, "Well done."

Hon. BURTON FRENCH, of Idaho, Republican, serving his eighth term; Hon. JAMES F. BYRNES, of South Carolina, Democrat, serving his sixth term; and Hon. W. B. OLIVER, of Alabama, Democrat, serving his fourth term, have been coworkers with Mr. KELLEY upon the naval appropriation subcommittee. Hon. MARTIN B. MADDEN, of Illinois, Republican, serving his ninth term, chairman of the Committee on Appropriations; Hon. FRANK W. MONDELL, of Wyoming, serving his thirteenth term, and chosen leader of the Republican Party in this House; Hon. FINIS J. GARRETT, of Tennessee, serving his ninth term, and leader of the Democratic Party upon this floor; Hon. THOMAS S. BUTLER, of Pennsylvania, Republican, serving his thirteenth term, chairman of the Committee on Naval Affairs. Praise from these men is high recognition of duty performed by my colleague with rare ability, industry, and courage.

These traits—ability, industry, and courage—have long been recognized by the people of Michigan as preeminently characteristic of "PAT" KELLEY, as our State universally knows him.

Michigan born, educated at the Michigan State Normal School and the University of Michigan, he has been a conspicuous figure in the public life of that State for a score of years.

In addition to serving on the State board of education, Mr. KELLEY's public service consists of two terms as superintendent of public instruction, two terms as lieutenant governor, one term as Congressman at Large, and four terms as a Member of Congress representing the sixth congressional district of Michigan.

In passing, it must be noted that it was while Mr. KELLEY was superintendent of public instruction that the present excellent compulsory school attendance law was enacted, such enactment being largely due to Mr. KELLEY's personal efforts in this direction.

It was during his incumbency of the office of lieutenant governor, at which time he was the president of the senate, that such important legislation as the railroad 2-cent fare law, the improved direct primary election law, and the law providing for the taxation of telephone, telegraph, and express companies upon an ad valorem basis were enacted.

Never did organized special interests and forces of reactionaryism contest more vigorously or more bitterly progress in legislation than did those elements contest that program. The State senate was evenly divided, 16 with Governor Warner for the program and 16 definitely organized in opposition. KELLEY was the presiding officer and it was then I first learned that his engaging smile and his bit of blarney were but exterior decorations, in no way detracting from the courage with which he held the course his conscience and his judgment dictated. He demonstrated a rigid backbone. Presiding always with fairness, but sustaining the cause of progress, he made possible the success of the legislative program, and it is interesting to know that he held the admiration and affection of the one 16 equally with the other.

As a Member of Congress he supported the constitutional amendments providing for woman suffrage and national prohibition, and he has been active in reducing naval appropriations to a basis consistent with the needs of the Navy under the treaty adopted by the Conference on Limitation of Armaments. In addition, he has consistently supported all child-labor legislation, the Shepherd-Towner maternity and infant welfare measure, legislation providing for the vocational education and rehabilitation of persons injured in industry, and workman's compensation legislation.

The zeal with which he has performed his legislative duties in Congress has been set forth by some of the most distinguished men in this House with expression of regret that the Nation, for a time at least, loses his services in the national halls of legislation, expressing thus the universal feeling of this House.

His passing from this work is tribute to his courage of conviction, always characteristic. He sought to protect and he succeeded in protecting political standards in the State where he had fought so many a contest before with reaction and selfish private interest. In his defeat there is no sting of failure. A fight he has made for principle is won. Not having put self foremost, his own interest counts with him least.

His friends on both sides of the center aisle of this House may rest assured that Michigan is proud of PATRICK H. KELLEY and will welcome him back, with his smile and his courage and all. [Applause.]

Mr. BLANTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment. The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 54, line 22, strike out the words "or other time-measuring device"; and in line 24 strike out the words "or of the movements of any such employee while engaged upon such work."

Mr. BLANTON. Mr. Chairman, we have now in the navy yards of this Government 50,441 civilian employees. Under this provision, especially the words which I seek now to strike out, your Government can not have any kind of system of observation to determine how much work per day these 50,000 employees accomplished or the manner of efficiency in which they accomplish it. Their unions will not permit the Government to check up on them. This Government is the only business in the United States that can not observe its employees while they work. I call attention to the testimony of Hon. Franklin D. Roosevelt, when he was Assistant Secretary of the Navy, when he testified before one of your committees, that since Congress had put this kind of a provision in the law that it had been impossible for the department to get more than 67 per cent efficiency. That is the testimony of your former Assistant Secretary of the Navy.

Why when you have a man construct a wall for you and you are paying him by the day you want to know how many brick he can lay in a day and how he lays them and whether he is efficient or not. There is nothing in private business to keep you from it. If a man goes to paper your house, do you not want to know how much paper he can hang upon the wall and how he puts the paper upon it when you are paying him by the day? If a man is hauling sand, you have a right to know how many yards of sand he can haul and what kind of sand he hauls. If a man is constructing any kind of machinery for you in a private business, there is no business concern in the Nation but which reserves to itself the right to have a foreman upon the job to observe the manner in which the workman conducts himself and the efficiency of his work; but when you came to the Government of the United States with 50,441 civilian employees they say to the Government, "You can not observe our work, you can not observe our men, you can not observe our efficiency. If you put a foreman anywhere around us to observe, he will not get any salary from the Government." Has not the time come for business men in Congress to stop that kind of foolishness?

Mr. STEPHENS. Do not they keep a sort of record for efficiency of all these men—a sort of card record?

Mr. BLANTON. They keep a self-made report record; but whenever you go to observe the movements of men or check up the amount of their work per day or efficiency, the walking delegate comes around and calls attention to this provision in the law which says that the Government can not observe the movements of the men. Now, I am not objecting to this time-watch business. Some men do not like to have a time watch held over them. Let that stay in there. Let us prevent them from having a time watch held over them; but when you prevent the Government, through its foremen and its managers, from observing in some kind of a manner the movements of the men and their production and efficiency, you continue going lower and lower in the maximum of efficiency. Instead of having 67 per cent of efficiency, as you had when Assistant Secretary Franklin D. Roosevelt checked it up, you will finally find that the efficiency will go far below 50 per cent. It is natural, it is human nature, for a certain per cent of workmen to shirk when there is no observation of their movements, and I submit that in all fairness to the men themselves we should strike the hamstringing language of this provision out of the bill.

Mr. HULL. Mr. Chairman and gentlemen, I hardly think it is necessary to take up the time of this committee in explaining why this language should be left in the bill. It has been debated on three bills for the last eight years that I know of, or since 1914, and this House has never failed to sustain the proposition of having it remain in the bill. It is a part of the prohibition that is put in the bill to prevent the Taylor system from being used in Government factories on this continent. I do not know whether you gentlemen understand what the Taylor system is or not; but I will say this, that the gentleman who originated the idea tried to put it into the privately owned industrial concerns of this country but they have abandoned it. It is not in use in any factory in this country that I know of to-day. Therefore this amendment was necessary to prohibit the use of it in Government-owned factories. It has been held in order and is in order to-day, and those of us who are opposed to the Taylor system are opposed to any entering wedge by which you limit the prohibition. That is about all, and that ought to be an answer in explanation to the House. It is a

prohibition, and this is put in to prohibit the Taylor system in Government factories.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken, and the Chair announced that the yeas appeared to have it.

On a division (demanded by Mr. BLANTON) there were—ayes 10, yeas 58.

So the amendment was rejected.

The Clerk read as follows:

The President is requested to enter into negotiations with the Governments of Great Britain, France, Italy, and Japan with the view of reaching an understanding or agreement relative to limiting the construction of all types and sizes of subsurface and surface craft of 10,000 tons standard displacement or less, and of aircraft.

Mr. LINEBERGER. Mr. Chairman, I offer the amendment which I have already sent to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. LINEBERGER: Page 55, line 11, after the word "otherwise," strike out all of line 12 and insert "The Congress indorses the limitation of armaments by international agreement and suggests to the President the desirability of entering into further negotiations as soon as he may deem it practicable," so that the paragraph will read:

"The Congress indorses the limitation of armament by international agreement and suggests to the President the desirability of entering into further negotiations as soon as he may deem it practicable with the Governments of Great Britain, France, Italy, and Japan with the view of reaching an understanding or agreement relative to limiting the construction of all types and sizes of subsurface and surface craft of 10,000 tons standard displacement or less, and of aircraft."

Mr. LINEBERGER. The word "requested," as it appears in the paragraph, might be misconstrued to indicate that the Congress had to bring to the attention of the President something which he had overlooked.

Now, I think the gentleman from Michigan, whom we are all very sorry to know is leaving this House and who has done truly a great work in the furtherance of this great idea of the limitation of armaments by international agreement, is disposed to accept this amendment because it in no way ignores the great principle for which he stands and for which the House stands, as is shown by the fact that last year in the naval bill, which came up at that time, a provision was inserted which carried within it the same idea that is proposed here, but in what I thought then and think now was couched in unfortunate language, because it "requested" the President to do something in which he was already engaged. So I trust that the gentleman from Michigan will see fit to accept this verbiage as a substitute, and I trust that the House, should a division be demanded in the matter, will vote to substitute the verbiage here presented.

Mr. BUTLER. Mr. Chairman, will the gentleman yield for a question?

Mr. LINEBERGER. Yes.

Mr. BUTLER. Wherein is there an advantage in the language employed by the gentleman from California over that proposed by the gentleman from Michigan? The latter is known, and will be known henceforth, as "the Kelley amendment."

Mr. LINEBERGER. I consider that the word "requested" carries with it a false implication. It is just as though the gentleman were going from here to the Washington Hotel, and everybody had reasonable knowledge of that fact, and then somebody would run up to him at the Mades Hotel and request him to continue on his journey.

I think the fact that the President has shown to the country and to the world his intense interest in the question of the limitation of armament, and his intense desire to further activities along all legitimate lines in that direction, should preclude that the word "requested" should appear in referring to the President in this matter. It is not necessary under the circumstances.

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. LINEBERGER. Yes.

Mr. NEWTON of Minnesota. I also suggest to the gentleman from Pennsylvania [Mr. BUTLER] that the use of the words "as soon as he may deem it practicable" is also very advisable.

Mr. LINEBERGER. I thank the gentleman. I agree with him.

Mr. NEWTON of Minnesota. The paragraph as originally drawn is a straight-out request to the President to do it, without regard to circumstances and conditions. Those of us who know the gentleman from Michigan [Mr. KELLEY] know, of course, that he would not want the President to do it regardless of circumstances and conditions.

Mr. LINEBERGER. I will say to the gentleman that, as everybody knows, Italy and France have not yet approved the provisions of the five-pact naval treaty. It is expected that they will, but how can the President comply with the "request" of Congress until they do? Let us be reasonable in the matter, lest the nations who are observing the actions of this body consider us ridiculous.

Mr. COCKRAN rose.

The CHAIRMAN. The gentleman from New York is recognized.

Mr. COCKRAN. Mr. Chairman, the gentleman from New Jersey [Mr. PARKER] paid the gentleman from South Carolina a very high compliment which was in no sense exaggerated. I think, indeed, if it erred at all it was on the side of inadequacy. For that speech, besides being of very unusual excellence makes it clear, in my judgment, that some provision of this character is not merely a desirable addition to the pending bill, but it is an absolutely necessary precaution to save civilization from the complete collapse with which it is now threatened. [Applause.]

I do not care much about the language of this paragraph. I am not very hopeful of immediate salutary results from the conference it urges—if one be held. But as an expression of the ardent desire of the American people to cooperate with all nations and peoples in measures which must be taken, and taken soon, if the world is to be delivered from evils the like of which have never yet afflicted the human family, I think the declaration in favor of a conference is the most important action within the capacity of this Congress.

Now, Mr. Chairman, besides the five minutes allotted to me, I would like to ask a little additional time for the purpose of explaining and vindicating what I have just said. The gentleman from South Carolina has made it painfully clear that the late Disarmament Conference has failed utterly to end competition in armaments among the nations that were parties to it. In the light of that demonstration, the declaration of Mr. Bonar Law in the English House of Commons a few days ago that England can not pay her debt to this country assumes portentous significance. That was an admission of bankruptcy, for inability to pay one debt—and that her largest obligation—impugns her ability to pay other debts. That astounding confession has attracted little attention. And yet the bankruptcy of England, whose credit for 250 years has been the very corner stone of international commerce, must inevitably entail the ruin of prosperity everywhere and imperil the very existence of the human family.

But even worse than Mr. Law's confession of England's bankruptcy is his statement, made at the same time, that at this moment England is paying every year—and apparently will continue to pay for an indefinite time to come—£100,000,000, or \$500,000,000, to support the unemployed.

Think of it. One hundred million pounds—\$500,000,000—is more than was appropriated for the entire support of this Government the first year that I became a Member of Congress. That enormous sum neither produces nor contributes to produce a penny in commodities or things of value. And it is but the lesser part of this dreadful waste. Every one of these unemployed receives as a dole no more, at the outside, than one-half the value of what he could produce if he were actually engaged in labor. Diminution of production through unemployment amounts at least to a million dollars. So that the net loss to the British people is not \$500,000,000. It is, at the very least, \$1,500,000,000. This frightful drain on a country already impoverished by the enormous losses suffered in the war can not fail to cause total collapse of its industrial system. And the collapse economically of England will extend far beyond her own territorial limits. It will be the source of calamities worse than those now scourging some countries which a few years ago were the fairest in the world, and which will engulf all countries, including our own, unless means be found to end them.

Is this exaggeration? I wish it were. That it is an accurate statement of conclusions which are irresistible from facts that are undisputed can easily be shown.

When we speak of the money losses suffered by England through unemployment, or of \$350,000,000,000 worth of property destroyed in the late war, few of us realize the real meaning of the expressions we are employing. We are very apt to think of these stupendous amounts as though they described mere bundles of bank bills or bags of coins—gold or silver, as the case may be. Now, the only value or importance of money is the commodities for which it may be exchanged. And because we always express the value of these commodities in terms of money it has come to pass that many persons think this

money is itself the value which it merely describes. How grievously erroneous this notion is will be plain if we realize the functions of a single dollar in the ordinary small transactions of life.

With a dollar in my pocket I go out in the morning and buy a dollar's worth of oranges at a fruit stand. The proprietor of that stand with that dollar goes to a shoe store and buys a dollar's worth of shoe laces. The man who sells the shoe laces with that same dollar buys a dollar's worth of note paper at the stationery store, and the man who keeps the stationery store takes that dollar and buys a dollar's worth of neckties at the haberdasher's, and so on. That dollar passes from one hand to another, perhaps sixty or seventy or eighty times in the course of a day, each time effecting exchange of one commodity for another. To speak of all those transactions as trade or commerce, aggregating \$60 or \$70 or \$80 would be entirely correct. But it would be radically wrong to assume that sixty or seventy or eighty separate dollars had been employed to effect it. The one dollar was but the symbol or agency by which each of these different persons obtained what he desired by parting with something he possessed.

The same principle governs the larger transactions of commerce. Trade, whether small or great, whether internal or foreign, is always exchange of commodities. Money is but the wheel by which the exchange is effected.

You hear a great deal these days about stabilizing exchange through international conferences and about restoring the volume of trade through some common action by governments. Mr. Chairman, there is no power in this Government, there is no power in the Government of Germany, there is no power in the Government of England, or in all the governments of the world combined, to stabilize exchange or create trade in the absence of commodities. Before commodities can be exchanged they must first be produced. Exchange of commodities is going on around us every day; and yet because in foreign trade the term "bill of exchange" is applied to the piece of paper which merely attests each particular transaction the minds of men have become oblivious of the fact that it is the commodities themselves that are the basis of every exchange and not the agency by which the exchange is effected.

Let me illustrate. A ship's cargo of wheat from Chicago to Liverpool. He draws a draft on London for the value of it, say, £2,000. He takes that draft to Messrs. J. P. Morgan & Co. or to Messrs. Kuhn, Loeb & Co. or some other international bank, and offers it for sale. Under the conditions that prevailed before the war that draft would be bought at the rate of about \$4.84 for each pound.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BUTLER. Does the gentleman want more time?

Mr. COCKRAN. I should like to have five minutes more.

The CHAIRMAN. The gentleman from New York asks unanimous consent that his time be extended five minutes. Is there objection?

There was no objection.

Mr. COCKRAN. Now, B, in Philadelphia, owes for a cargo of silk purchased, perhaps, in Lyons. He comes to J. P. Morgan & Co. and buys a draft for \$10,000. Here there was an exchange of one cargo of wheat for one cargo of silk. The person who sold the wheat never met or heard of the man who bought the silk. None the less, it was the exchange of those commodities which formed the basis of the bill of exchange issued by Mr. Morgan to the silk merchant and of the check given to the seller of wheat. One balanced the other. Mr. Morgan bought a draft and issued another for the same amount. He has paid out no money of his own. He has simply effected the exchange of these two cargoes of commodities. It might be that the check given to the seller of wheat would be balanced not by a single foreign draft but by two or three aggregating about the same amount. Instead of issuing one bill of exchange to one silk merchant for \$10,000, a bill for \$5,000 was sold to him, and another for \$2,000 to a dry-goods importer for a cargo of cloth, and a third for \$3,000 to a dealer in hardware for a cargo of cutlery; but the system would remain the same. It would always be the issue of paper tokens or symbols attesting actual exchanges of commodities. That is all there is to exchange throughout the world.

Mr. BEGG. Will the gentleman yield?

Mr. COCKRAN. If you will get me plenty of time.

Mr. BEGG. I am very much interested in the gentleman's statement, and I wish to ask him this question: Suppose the man who owned the silk did not want the wheat. There must be something of value in the country on the other side to exchange to the man over here. The gentleman's philosophy would not follow out if the man of one country was through trading or if he ran out of tradable property.

Mr. COCKRAN. I fear I must explain a little further in order to get this matter within the range of the gentleman's concepts.

Mr. BEGG. I will yield to the gentleman all the time he wishes for that purpose.

Mr. COCKRAN. Let me, then, explain to the gentleman. The check or bill which Mr. Morgan gives to each of these men is believed implicitly to be equivalent to gold in value. If there was the slightest doubt about that, it would not be accepted, of course. But the fact remains that it was a mere symbol. There was no gold exchanged. Very little gold enters into these international operations. None except the small amount required in normal times to balance the difference between debts paid abroad and amounts collected by Americans in foreign countries. Before the war commodities were exchanged amounting in value to many hundreds and thousands of millions of dollars without any use of gold beyond a very few millions sent from one side or the other, mainly to settle balances or differences between exports and imports.

Exchange, in the very nature of things, rises or falls according to the movements of commodities, and not, as some gentlemen seem to think, according to the whims or wishes of bankers or the desires of governments. The gentleman from Ohio [Mr. BEGG] I am sure will realize that when the bills of exchange offered to bankers for discount exceed in number the foreign drafts they are asked to issue, rates must go down and vice versa.

If the number of cargoes of wheat and other products, for instance, exported from this country exceed largely the cargoes of commodities purchased abroad, then exchange would go down. In other words, Mr. Morgan would give a little less than \$4.84 per pound for each draft he was asked to buy. He would offer \$4.83 or \$4.82 or \$4.81 until desiring to pay debts abroad would be encouraged by these low rates of exchange to purchase drafts on foreign banks, and this would operate to restore the normal rate. But in every case the actual basic transaction would have been the exchange of commodities by producers in this country for commodities produced abroad.

Now, suppose there were no commodities to exchange, then manifestly no bills of exchange could be issued. That was the case after this war broke out, when there were practically no imports into this country. Everything produced in the countries at war was used by their own governments for military purposes. We had abundant commodities to export. The result was that bills in enormous numbers were offered to American bankers, but there were no purchases of drafts on foreign countries. And the rate of exchange went down and down and down, until trade practically stopped. It was only by extensive borrowing of money here by foreign governments and traders that it was reestablished. Foreign countries having no commodities to give us in exchange for those they needed, offered nothing but promises to pay; that is to say, they promised to give us commodities equal in value at some future time.

Mr. BEGG. Will the gentleman yield again?

Mr. COCKRAN. I should like to very much, but my time is very limited.

Mr. BEGG. Then I will not trouble the gentleman.

Mr. COCKRAN. I am endeavoring to explain these economic terms at this length, because when it is understood that there is no value in money itself, that its only value lies in the commodities that it can obtain, the task of bringing within your realization a full conception of the situation disclosed by Mr. Law's statement and by the speech of the gentleman from South Carolina [Mr. BYRNES] is very much simplified.

When I am about to build a house, and I borrow \$50,000, what do I get? What does my creditor give me? Not \$50,000 in coin, not \$50,000 in bank bills. Those would be of no use to me except for the fact that with them I can obtain the mortar and the bricks, the lumber and the plaster, besides the aid of bricklayers and mechanics by which the structure that I have planned can be erected. And the money paid in wages to these workers is valuable to them only for the food and clothes and shelter it will obtain. When, therefore, we learn that there was destruction of capital amounting to \$350,000,000,000 in the late war we must realize that chairs, and tables, and houses, and machinery, and cattle, clothing, and articles of food equal in value to that stupendous sum, all of them essential to the support of human life, were destroyed. The entire agricultural product of our country this year is valued at \$7,500,000,000. The destruction and waste caused by the war just ended was therefore nearly fifty times the total agricultural production of this country during one of the most prosperous agricultural seasons in our history.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. COCKRAN. May I have five minutes more?

The CHAIRMAN. The gentleman asks unanimous consent that his time be extended five minutes. Is there objection?

There was no objection.

Mr. COCKRAN. The conditions already produced by this waste and the graver conditions that are impending can be remedied in just one way. No loan from one government to another will suffice.

The world is suffering from destruction of the things on which human prosperity—not to say human existence—depends. How are they to be restored? In one way only, and that is by replacing them with other commodities taken from the earth by the labor of human hands exercised on its bosom. There is but one way by which this can be effected, and that is by taking the weapons of war from the hands of men everywhere and replacing them with the implements of industry. The weapons of destruction can indeed be removed from their hands by treaties between nations. Governments organize armed forces and governments can disband them.

However, I do not believe international conferences to be the most effective method of reaching universal disarmament. I am one who believes that we had it in our power at the close of the war to effect disarmament, complete and universal, by simply declaring to all the world that so long as any nation maintained military establishments by land or sea we would outarm the strongest of them; but if they all consented to disarm, we would disarm with them. But that course was not adopted. A different policy was pursued. We entered into treaties by which we and the other great naval powers agreed not to maintain navies beyond a certain size. Now, surely, it was self-evident that a navy to be good for anything must be able to overcome any other navy.

There can be neither sense nor reason in maintaining a military force for any other purpose. An attempt to avoid recurrence of war by maintaining navies of equal strength is to my mind about as foolish as if two men should agree as a measure of peace between them that each would carry a revolver, but that he would load only half its chambers.

If the nations mean peace they can make peace secure in just one way, and that is by discarding the means of making war. There is no other way.

There is no disarmament worth considering unless it be complete. Partial disarmament means continuous armament. To speak of limiting armaments is to employ contradictory terms. Armaments are essentially and intrinsically competitive. They can have no purpose except to prevail against other military forces.

To appropriate the enormous sum of \$325,000,000, as we are doing in this bill to maintain a Navy which we have solemnly bound ourselves by treaty shall never be strong enough to effect the only object of which a navy has ever before been organized by civilized men, is to my mind a course more befitting opera bouffe than enlightened statesmanship. But that is exactly the position this country has assumed. There is no prospect that any different policy will be pursued while the present administration remains in office. The only course now open to the patriotic citizen is to make this policy, which can not be changed, as effective as possible.

Whatever can be obtained by conferences between nations, we should seek to attain. I am, therefore, in favor of the international conference recommended by this measure. It by no means follows, because the last conference has been fruitless to the degree which the gentleman from South Carolina has made so clear, that another conference may not produce better results. Much has happened since then to chasten resentments and to impress upon all who may attend such a gathering much clearer notions of the perils that overhang our civilization. There certainly can be no harm in bringing the nations together, if only to take full account of the appalling conditions prevailing throughout a part of the world and threatening to overspread the whole of it. I do not believe they can engage in such a study without becoming convinced of the truth that unless they disarm they will perish.

I said two years ago on this floor that unless they disarmed they would perish. They did not disarm, and now, by the admission of every one of them, they are actually perishing.

The collapse of Austria, the impending ruin of Germany, together with England's declaration of bankruptcy, all show that the whole fabric of civilization is in imminent peril of destruction. Already the roof has fallen in, and unless the process of disintegration can be checked, the whole structure must soon perish in confusion and disaster.

I believe that this civilization can be saved, but to avert the ruin which threatens it all civilized nations must act together and act quickly. Not merely do I believe this civilization can

be saved but it can go to a higher plane than it has ever attained, if we can only succeed in taking the weapons of destruction from the hands of men. If from all this confusion and disaster there should ultimately emerge a world entirely unarmed, where every pair of human hands and every dollar of capital would be employed in productive industry—none diverted to war or preparation for war—the gain to civilization would be greater than that which followed emancipation of the serfs in Russia, or abolition of slavery in this country, or liberation through the great revolution of the land in France from the surviving feudal restrictions which excluded the people from possession of the soil.

This world is as rich to-day as it has ever been in natural resources. In the implements and agencies by which it can be cultivated and its products made available for human use, it is richer, vastly richer, than it has ever been. Yet numbers of people are perishing for lack of food. And the continuously rising cost of living attests with ominous distinctness the steady growth of scarcity throughout the whole world. With all men engaged in industry, and everyone enabled to enjoy in peace all that has been produced by the labor of his hands, the whole aspect of human affairs would undergo a revolution salutary and beneficent beyond our power now to comprehend.

The capital destroyed in the war would not merely be replaced but it would be increased enormously. And remember, when I speak of capital, I speak of it only in the sense that it embodies the three essentials of human existence—food, shelter, and clothing.

If the economic collapse which now seems imminent be not averted, the people of this earth can no longer be fed, nor clothed, nor sheltered. But if by disarmament all men are liberated from military enterprises and enlisted in productive enterprises, all difficulties will be removed, and the pathway opened to abundance greater than the world has ever known.

The first step toward this consummation, let it not be forgotten, is to dissolve armaments. They must be put away if civilization is to survive. It is no longer a question whether nations will maintain armaments or abolish them, but a question whether they will disarm now while some capital is left by which industrial conditions can be restored, or whether they will wait until disarmament is forced upon them by collapse of the whole industrial structure.

I myself am hopeful, aye, confident of the future. I believe men ere long, realizing the actual conditions surrounding them, will turn to industry for their salvation. And when in every country weapons of destruction are discarded, implements of production in the hands of hopeful workmen—the miner's pickax, the farmer's plow, the mechanic's tool, the laborer's implement, striking this earth which its Creator has made so bountiful—will bring forth from its bosom in ever-increasing abundance all the essentials not merely of human existence but of human comfort and prosperity, even as the rod striking the rock in the desert under the inspiration of the Most High brought forth the generous tides that relieved the thirst of His famishing people. The prosperity created by world-wide industry under conditions of peace will be distributed with justice—that is to say, with evenness among all who have contributed to it—and it will be inexhaustible, because justice and peace will be its fountain. [Applause.]

Mr. LOGAN. Mr. Chairman, I move as an amendment to strike out the last paragraph in the bill.

The CHAIRMAN. The gentleman from South Carolina offers an amendment which the Clerk will report.

The Clerk read as follows:

Mr. LOGAN moves to strike out the last paragraph in the bill.

Mr. LINEBERGER. Is that a substitute for my amendment?

Mr. LOGAN. Yes.

The CHAIRMAN. The gentleman offers the amendment as a substitute.

Mr. LOGAN. Mr. Chairman and gentlemen of the committee, I am glad to take this opportunity in the discussion of the pending bill to make appropriations for the Navy Department to say a few words in behalf of the Charleston Navy Yard, which on several occasions has been the object of attack, for the purpose of showing that the yard was only established after a most painstaking, careful, and exhaustive examination by an official board composed of some of the most capable and competent officers of the Navy, and that on every occasion since when the yard has been investigated it has been adjudged to be a most important, useful, and valuable asset to the Naval Establishment.

It will be recalled that the Charleston yard was established about 1901, as the result of the report of a board of officers, of which Rear Admiral Frederick Rodgers, United States Navy,

was president. In considering the merits of the location attention was especially invited to a consideration of the following subjects:

(a) The depth and size of the harbor and the character and depth of the navigation from the sea to the harbor and from the latter to the station, if upon a river.

(b) Its defensibility and the character and extent of the defense, if any, now in existence.

(c) The facilities, at or in the immediate vicinity of the location, for furnishing labor, materials, and supplies with promptness and at moderate cost and its ability to supply labor which may be required in large quantities for irregular periods of time.

(d) The suitability of the sites for founding public works, especially dry docks.

(e) The elevation of the lands with respect to grading or filling that may be necessary.

(f) Direct railroad or other lines of communication with commercial centers.

(g) The supply and cost of good water.

(h) The depth and extent of the water frontage.

It will be seen at a glance that the subject which the board was called upon to consider covered quite completely all the elements which enter into the location of a proper site for a navy yard, and was so regarded at the time by those highest in authority in the department. Each of the questions submitted to the board were gone into fully and in detail and as the result the board selected the site where the Charleston yard is now located as a proper one.

In 1905, about four years after the Government had determined to establish the yard and while it was still in course of construction, Admiral F. W. Dickins visited Charleston Harbor in command of the coast defense squadron of the United States fleet. At a dinner given at that time in honor of the new cruiser *Charleston* Admiral Dickins, in the course of a speech delivered by him on that occasion, made the following remarks:

It has been exceedingly fortunate for the squadron that there was such a port as Charleston to select as our headquarters. It has proved to be an ideal place for the work we have in hand. The harbor is a commodious one and the water on the bar will now permit any of our battleships to enter this port. The flagship *Texas* has the distinction of being the first battleship to enter this port. As is well known, there is about 30 feet on the bar at high water.

After entering the harbor 50 battleships with 26 feet draft can be anchored in Charleston Harbor at single anchor, 400 yards apart with a scope of 45 fathoms of chain. Sixty-five battleships with the same draft and with the same scope of chain can be moored in Charleston Harbor 1,000 feet apart. Thirty-five battleships can be moored above the battery.

The new navy yard now under construction at Charleston is about 7 miles up the Cooper River from the battery. Twenty-eight feet can be carried to the yard at high water. The naval reservation has about 1,200 acres and a water front of about 1½ miles.

The climate of Charleston is a genial one in the winter months, free from prolonged freezing weather, and such a climate that workmen can be employed out doors all the year around. The resources of the city are ample to provide for the personnel of a large number of vessels. All of these conditions would seem to indicate that this place is well worthy of the fostering care of the Government in the interest of a great naval station.

The people are loyal and patriotic, and their courtesies to the officers and men of the squadron have been most hearty and most generous. It is particularly gratifying to know that the uniform of the American bluejacket is held in high esteem and honor by the people of this city, and that the press of the city is most complimentary and sympathetic in all it has to say of the Naval Establishment.

Strategically, the Charleston Navy Yard is nearer our bases in the West Indies than any other yard on the mainland; it is a little nearer the Panama Canal than Galveston and about 10 miles nearer than New Orleans.

Certainly this was very high praise from one well qualified to speak; and since that time the harbor of Charleston has been considerably deepened, and the opinion of the admiral would be even more pertinent now. Again, in addition to the magnificent harbor of Charleston, the city has the advantage of being closely connected up by rail with all the great manufacturing centers of the United States; so, from the standpoint of the constancy of supply, both of labor and material, we might say that there is no place but Charleston south of Norfolk on the entire coast line of the United States—Atlantic, Gulf, or Pacific—which offers so favorable a location for a yard.

We take it that the object of a navy yard is to furnish a convenient and economic rendezvous for the ships of all classes of the Navy. If the Charleston Navy Yard were abolished, there would be none such between Norfolk and San Francisco. While we understand that at one time there were those who contended that it was the proper naval policy to have only a few yards and all work concentrated at these, yet we submit that that theory was never sound, being founded upon conditions existing in other countries which had an extremely short coast line as compared with that of the Atlantic seaboard, and that such views have now been entirely abandoned.

Every naval board and every naval officer of standing and experience who has seen the Charleston Navy Yard has been most favorably impressed with it.

In the preliminary report No. 6 of the Commission on Navy Yards and Naval Stations, Sixty-fourth Congress, second session, Document No. 1946, the commission, of which Admiral Helm was chairman, on page 27, paragraph 33, will be found the following:

After weighing all the advantages and disadvantages, including cost, of the various sites between Cape Hatteras and Key West, Fla., the commission is of the opinion that on this coast line Charleston Harbor most nearly meets the physical requirements of the Navy Department for a first-class navy yard.

In the report of Rear Admiral E. A. Anderson, commandant of the yard, dated December 7, 1921, he states as follows:

The Charleston yard is at present the only active navy yard on the Atlantic coast south of Hatteras. The South is lacking in private establishments at which, in need, naval vessels could be docked and repaired, while there are many such private yards north of Hatteras.

For this reason it would be more disadvantageous to the safety of the Navy in emergencies to close the Charleston yard than any or all Government yards north of Hatteras.

In 1914 Rear Admiral J. M. Helm, at that time commandant of the yard, wrote as follows about it:

The fact is, as all naval men recognize, that with the opening of the Panama Canal the Charleston Navy Yard becomes an invaluable asset of the Navy. The prime purpose of the canal is to afford a quick means of transferring our battleships from our Atlantic to our Pacific coast. The incomparable superiority of the Charleston Navy Yard lies in the fact that not only is it the nearest yard of first-class equipment to the Panama Canal but it is the only yard south of Norfolk which is impregnable against an attack by sea. Charleston, although under siege throughout two great wars, has never been captured from the water. Its defenses to-day guarantee it against such a fate in future, and make the Charleston Navy Yard, sheltered from storm and protected against any hostile fleet, the great strategic base from which any possible naval warfare of the future is most likely to be conducted.

In 1916 Rear Admiral John R. Edwards had this to say of the yard:

It behooves the thoughtful and progressive officer of the Navy to give immediate, extended, and careful consideration concerning the possibilities of development of the Charleston (S. C.) Naval Station. Whether viewed from an industrial, financial, or strategic standpoint, the progressive, if not the rapid, development of this naval station intimately concerns the efficiency and operation of the fleet.

For military and strategic reasons it appears of paramount importance that there be developed on the Atlantic coast, at some point south of Cape Hatteras, a naval station capable of docking and repairing our largest and most important battleships. The protection of the Isthmian Canal, a project that involves the expenditure of about \$400,000,000, combined with the generally existing belief upon the part of naval experts that if the fleet will ever be called upon to engage in battle the contest will take place in the Caribbean makes it a matter of importance to the efficiency of the fleet that there be developed on the mainland of the Atlantic coast (and independent of any outlying naval base) a first-class naval station.

The channel and harbor conditions of the Charleston Navy Yard, together with its industrial possibilities, appear to be measured by some of our naval experts from conditions existing about the period of the close of the Civil War. As evidence of the satisfactory existing character and extent of the channel conditions on the navy yard water front it is only necessary to state that the battleship *Connecticut* about two years ago with packed bunkers and a full supply of ammunition and stores made a complete turn in the channel in front of the navy yard and proceeded to sea without the aid of tugs.

In a report dated October 23, 1916, Rear Admiral B. C. Bryan, at that time commandant of the yard, had this to say:

From Hampton Roads to Key West there is a stretch of coast of approximately 1,000 miles, Charleston being slightly north of the center of this stretch, about 415 miles from Hampton Roads and 588 miles from Key West. In all this coast line Charleston is the only harbor offering facilities for a navy yard with positive assurance of a deep channel from the sea at a reasonable cost of original construction and yearly maintenance and with a protected anchorage ground for a large number of vessels of deep draft.

An idea of the advantage of location may be formed from the following:

Charleston is nearer than Hampton Roads to all Gulf ports by about 350 miles.

It is 200 miles nearer Guantanamo than Norfolk, 270 miles nearer than New Orleans, and 170 miles nearer than Pensacola, and is less than 200 miles farther from Panama than either Pensacola or New Orleans.

Its central position on the long stretch of coast below Cape Hatteras and its comparative proximity to the Gulf, Caribbean, and the Isthmian ports makes Charleston a port of strategic importance.

Rear Admiral J. R. Helm, head of a commission on navy yards and naval stations appointed under an act of Congress approved August 29, 1916, in a preliminary report of the commission has this to say of the yard:

The commission is of the opinion that it is necessary, advisable, and desirable to take immediate steps to improve this yard so as to permit full utilization of its docking and repair facilities for work of all kinds within the limits of the capacity of its dry dock and the depth of water which can be maintained, without undue additional expenditure, in the channel approaches from the sea to the navy yard. Viewed as an existing navy yard, with resources and equipment capable of most effective expansion with a reasonable additional expenditure, the most important problem is: How can this yard be most advantageously utilized for naval needs? Its large land area, excellent

dry docks, present shop equipment, extensive adjacent harbor, sheltered location, capability of defense by fortification, mines, and the natural character of the terrain, its accessibility to the sources of supply, and excellent transportation facilities by land and water, renders the problem one of comparatively easy solution. * * * After careful consideration of all data submitted and the conditions previously set forth in this report, the commission recommends as follows concerning the navy yard, Charleston: That it is necessary, advisable, and desirable to improve this navy yard in order to meet the requirements of such portions of the fleet as may be assigned to it for maintenance and repair, including additional facilities as a submarine and destroyer base, and to utilize to the greatest advantage its facilities within the limitations of the capacity of the dry dock and the 30-foot approach channel to the navy yard already provided for by Congress in the last naval appropriation bill.

All these reports show conclusively and beyond dispute the Charleston Navy Yard is ideally located and worthy of the most fostering care on the part of the Navy Department. Not only, however, has the Government looked with kindly eye upon the port of Charleston as the proper place for the establishment of a navy yard, but the Standard Oil Co., recognizing its manifold advantages, has recently established just south of the yard a magnificent refinery costing millions of dollars, and during the war the Government located, several miles above the navy yard, the most splendid and complete terminals, costing upwards of \$17,000,000, which will compare favorably with any on the Atlantic or Pacific seaboard.

Of course, from time to time the Charleston navy yard has been attacked just as the navy itself is attacked, but as the navy is essential to the safety of the country, so the Charleston Navy Yard is essential to the Navy.

Mr. BYRNES of South Carolina. Mr. Chairman, I assume that the vast majority of the committee is in favor of the bill carrying language requesting a further conference on the subject of the limitation of armament. I think the gentleman from California [Mr. LINEBERGER] was accurate in stating that the only question here is one of language. That question is raised, however, only by the gentleman from California himself, because I know of no one else who objects to the language in the bill.

Mr. LINEBERGER. Oh, I talked the matter over with various Members of the House, and I hope the gentleman will correct himself to the extent of admitting at least that I feel convinced there are others who agree with me in this matter.

Mr. BYRNES of South Carolina. I was only expressing my opinion that he alone objects to the language now in the bill.

Mr. LINEBERGER. The gentleman is mistaken.

Mr. BYRNES of South Carolina. I decline to yield any more. I ask that the gentleman from California be in order.

The CHAIRMAN. The gentleman declines to yield.

Mr. BYRNES of South Carolina. I expressed the view, gentlemen of the committee, when interrupted, that the opinion expressed by the gentleman from California was not shared by others. He says not. I accept his statement that there are others who entertain the same opinion, but I reiterate that the views of the great majority of the committee are not in accord with his views. Now, here is the language—the gentleman from Pennsylvania [Mr. BUTLER] asked a question at the time as to the difference in the language of the amendment and the language in the bill: "The President is requested to enter into negotiations." That is the language of the bill. In the amendment offered by the gentleman from California [Mr. LINEBERGER] it is, "the Congress indorses the limitation of armament by international agreement and suggests to the President the desirability of entering into negotiations." When it was shown to me I said I had no objection to it, and it was fully my intention to vote for it, but the gentleman made a speech, and he said that his objection was that the language contained in this bill carried a false implication. When he made that statement I made up my mind I was not going to vote for his amendment, nor do I expect to vote for it. There is no false implication. Why the necessity for changing the language? That is the question the gentleman from Pennsylvania [Mr. BUTLER] asks. There is no necessity except to placate the gentleman from California [Mr. LINEBERGER]. What difference does the language make? When the Borah amendment was considered there was received a letter from the President, and listen to what the President said about it:

I have said to inquirers, as I am now pleased to say to you, that it is not of particular concern to the administration what form the expression that Congress shall take, though it is most agreeable that Congress shall express itself in favor of securing, if possible, an international agreement upon a program for the limitation of armament.

Again:

It is wholly desirable to have the expression of a favorable opinion on the part of Congress relating to this world question, and it would seem to me ample if it should be expressed in the broadest and most general terms.

I am vastly more concerned with the favorable attitude of the Congress on this question than I am as to the form of expressing that attitude. You may be sure that the Executive will be ready to give every consideration to such expression as the Members of the two Houses of Congress find themselves disposed to make.

The Borah amendment was then before him and the language was that "the President is requested." There is absolutely nothing to justify the Lineberger amendment except the desire to placate the gentleman from California. As the gentleman from Pennsylvania said, is there any reason why this should not remain—the Kelley amendment instead of the Lineberger amendment? I know of none. So far as I am concerned it ought to be the Kelley amendment and I hope it will remain the Kelley amendment.

Mr. BUTLER. Let it remain the Kelley amendment.

Mr. BYRNES of South Carolina. I hope this House will vote down the Lineberger amendment.

Mr. BUTLER. Will the gentleman yield?

Mr. BYRNES of South Carolina. I will.

Mr. BUTLER. Is it your desire as well as mine to request the President to do this thing?

Mr. BYRNES of South Carolina. It is.

Mr. BUTLER. Who suggests the desirability of this other language?

Mr. BYRNES of South Carolina. Nobody except Mr. LINEBERGER.

Mr. BUTLER. Why do not we ask it plainly? Let it stand as it is.

Mr. BYRNES of South Carolina. The position of the President is not so insecure that a request from Congress will harm him. He will not take offense at a respectful request from the representatives of the people.

Mr. CONNALLY of Texas. Mr. Chairman and gentlemen of the committee, I rise in opposition to the amendment of the gentleman from California, and much prefer the amendment of the committee. In the first place, the gentleman from California in his amendment is in effect contradictory. The gentleman says that the Congress indorses the limitation of armaments by international agreement, and then practically condemns the Washington conference by wanting to call another conference to undo the work, as it were, of the conference which met in Washington a year ago.

Mr. LINEBERGER. Will the gentleman yield?

Mr. CONNALLY of Texas. I yield briefly, not for an argument, just for a question.

Mr. LINEBERGER. The gentleman misstates the intention of the amendment. It is to further negotiate in addition to those which have already taken place.

Mr. CONNALLY of Texas. If the gentleman indorses the one already conducted, if it was really effective, there would be no occasion for going further. I want to call the attention, however, of the committee to the fact that even the committee amendment, which I am going to support, probably will be ineffective. We are presented with this situation: The present limitation of armament treaty, though not ratified by all the signatory powers, has been ratified by the United States, and that treaty provides that it shall be in effect until the 31st day of December, 1936. In other words, we have signed that treaty, we have agreed it shall be binding until 1936. The nations have gone ahead with the building of auxiliary fleets under the treaty, and will it not appear that we now go before the world and say we want to back out and start over again after they have expended millions of dollars in building auxiliary ships of below 10,000 tons displacement in agreement with the treaty, under terms to which the United States agreed?

Is there prospect of success now that did not come a year ago? Why, gentlemen of the committee, do you not suppose that Mr. Hughes, the Secretary of State—do you not suppose that he undertook, when the conference was in session, to secure a limitation on the building of warships under 10,000 tons? Do you not suppose he endeavored to place a limit on submarines, destroyers, and other auxiliary craft? Do you not suppose that the President of the United States and our technical advisers undertook in the disarmament conference to secure the limitation of all armaments, large and small—limitation in number as well as size? If they did not, then they were blind to the great importance of the question. If they did not, then their efforts were vain and empty. If they did, if they sought to secure an agreement by the other powers of the world and to secure the limitation as to building ships below 10,000 tons and the limitation of submarines as to number and size, and to secure the limitation of armament below 8 inches in caliber of guns—if they did undertake to do that, then, gentlemen of the House, they failed; and if they failed

a year ago, if the other nations of the world that sat in the Washington conference a year ago were not willing to make an agreement to place a limit upon ships below 10,000 tons, and if they were not willing to limit their armament below 8 inches in caliber of guns, do you suppose they are now more inclined than then to follow a different course?

I am going to surrender whatever doubts I may have as to the success of another such conference and shall support the amendment of the gentleman from Michigan [Mr. KELLEY] to this bill. But I want to say to you, gentlemen, that the real problem can never be solved merely by treaties of this character which merely seek to limit the size of navies and the caliber of guns.

Wars will never cease until the cause of war is removed; nations will fight so long as there is no forum for the settlement of their quarrels except the battle field; the peoples of the earth will continue to pour out their blood so long as the only final authority among nations is that of the bayonet and the bullet; armies and navies will continue to struggle until the peoples of the world establish an agency to settle international disputes according to law and reason. Taking away battleships, taking away craft above 10,000 tons, only increases the necessity for building more auxiliary ships. The disarmament conference provided that the signatory powers could not build, except within certain limits, ships of above 10,000 tons. Ergo, they must therefore build a great many more under 10,000 tons.

The foreign representatives in the conference knew the terms of this treaty. The American representatives knew the terms of this treaty when they signed it. They knew that the nations of the world could go on building warships, submarines, and auxiliaries below 10,000 tons and increasing their armament below 8 inches in caliber of guns. And, knowing that, they signed it. But, gentlemen, I trust that the President will respond to this request of Congress, and that we shall go on in the endeavor to limit the armaments of the world. [Applause and cries of "Vote!"]

Mr. LINEBERGER. Mr. Chairman, inasmuch as this amendment has been the source of a great deal of discussion here on the floor of the House, I had hoped my amendment would be voted up or down on its merits, but as the distinguished gentlemen from South Carolina [Mr. BYRNES], who is my friend and whom I respect, has seen fit to make this a matter of personal loyalty to the membership to the gentleman from Michigan [Mr. KELLEY], and made it a question of whether we shall have "the Lineberger amendment" or "the Kelley amendment," I want to say to the House that I have no personal pride of opinion in the matter whatever. I only think I am right, but inasmuch as this is the last naval bill in which the genial gentleman from Michigan will take part, I am going to withdraw my amendment and, without further debate, let it be "the Kelley amendment," and I hope this will please my friend the gentleman from South Carolina [Mr. BYRNES]. [Applause.]

Mr. BUTLER. Let us vote on the amendment.

The CHAIRMAN. Without objection, the gentleman from California [Mr. LINEBERGER] withdraws his amendment.

There was no objection.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from South Carolina [Mr. LOGAN].

The question was taken, and the amendment was rejected.

Mr. KELLEY of Michigan. Mr. Chairman, I ask unanimous consent to return to page 54.

Mr. LINTHICUM. Mr. Chairman, have you considered my amendment to the last paragraph? I will ask the gentleman from Michigan to let us consider this amendment, which comes at the end of the last paragraph.

Mr. KELLEY of Michigan. What is the gentleman's amendment?

Mr. LINTHICUM. It has not been reported yet.

The CHAIRMAN. The gentleman from Maryland [Mr. LINTHICUM] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. LINTHICUM: Add the following after the period, page 55, line 17: "And it is also requested that he enter into negotiations with the said governments and the governments of other nations, with a view to the United States becoming a party to an international association, whether now existing or hereafter created and by whatever name it may be called, designed to preserve the peace of the world or at least diminish the possibility of war on land and sea, and in that connection to limit the construction of all types and sizes of surface and submarine craft and aircraft."

Mr. STAFFORD. Mr. Chairman, on that I make a point of order.

Mr. WINGO. I make the point of order that it is not germane.

The CHAIRMAN. The point of order is sustained.

Mr. LINTHICUM. Mr. Chairman, I move to strike out the last word. I have not had the opportunity to speak on this.

Mr. KELLEY of Michigan. Mr. Chairman, I ask unanimous consent to return to page 54.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. LINTHICUM. I object. I am at least entitled to say something on my amendment, whether it is in order or germane or not. I ask the gentleman from Michigan to withhold his request.

The CHAIRMAN. Does the gentleman from Maryland object to the request of the gentleman from Michigan?

Mr. LINTHICUM. I do.

Mr. KELLEY of Michigan. If the gentleman is given five minutes will he object?

Mr. LINTHICUM. That is all I ask for.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that the gentleman from Maryland may proceed for five minutes. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Maryland is recognized for five minutes.

Mr. LINTHICUM. Mr. Chairman, I have offered an amendment requesting the President to invite the nations of the world to the consideration of an association of nations and through that association to provide for a decrease of the armaments of all kinds. I can not but believe from the result of the last disarmament conference that little can be accomplished through conferences of that nature. The treaty framed by that conference between the United States, Great Britain, Japan, France, and Italy has been ratified by the United States, Great Britain, and Japan, but not by France and Italy. It has therefore to this time accomplished but little. It has accomplished so little that when the gentleman from Michigan [Mr. KELLEY] was asked what had been the results, he said there had been none. No ships have been scrapped except several worthless ones out of commission. While the treaty provided against the building of battleships and cruisers except according to the 5-5-3 ratio in excess of 10,000 tons, it did not provide any restriction upon the building of those less than 10,000 tons. While it provided for the number of 16-inch guns, it did not provide any limitation on the number of smaller guns, and any nation can manufacture two 8-inch guns in lieu of every 16-inch gun it is prohibited to manufacture. In the turmoil and confusion which prevails among the nations of the world at the present time, scarcely any action in conformity with the treaty has been taken.

To-day we are asked to vote requesting the President to call a disarmament conference for the purpose of limiting the building of ships less than 10,000 tons. While I shall support such a provision in this bill, I must admit that from our experience of the disarmament conference which met on the 12th of November, 1921, there is little prospect of any results from another disarmament conference. To-day the press tells us that the nations are preparing to construct a great fleet of warcraft of the smaller type not restricted by the disarmament treaties. To-day we are faced with the possibility of another race for leadership in naval affairs. Realizing what has taken place, I can not but believe that the only possible way to bring about disarmament is through an association of the great nations of the world, providing against the construction of powerful navies and also against great armies. I care not whether you call it a League of Nations, a league of peace, or an association of nations, but let it be some agreement between the great powers for the prevention of war and for the preservation of peace. The nations of Europe are looking to America to lead; they look to our country, the only solvent and creditor nation of the globe, to lead in that effort to make the last war bring about the permanent peace of the world. The chaotic condition which prevails in Europe and the Near East should certainly stimulate us to quick action to preserve the stability of nations and again establish them upon a permanent footing whereby trade and social intercourse may again bring about the friendship of the various peoples who are now at enmity with one another.

Our Secretary of State, Mr. Hughes, in the letter which he and some 30 other prominent citizens signed, recognized the fact that there should be an association of nations, and said they were supporting the Republican ticket because they believed that to be the quickest way to get results, or in similar words.

We have now been under the Republican administration for nearly two years and confusion has become worse confounded. Is it not high time that we should resort to other means to secure stability? Mr. Bonar Law, Prime Minister of England,

has told us that England can not pay her debts. Around England are clustered the financial conditions of Europe. Let this Gibraltar of finance default and it would be nothing short of disaster. France, Germany, and Italy, all practically bankrupt, would doubtless collapse. I believe if my amendment were adopted we could yet save these various countries, and likewise place ourselves in a far better condition than we are to-day. Our great exports, in fact, our entire foreign trade, depends upon the stability of the nations across the water. To bring peace and prosperity to our own people we must not neglect a friendly hand to these great customers of ours. The world looks to America. What is the answer of the present administration? The people of our country look to the present administration for a definite and concrete foreign policy, and when this definite policy is outlined, then and not until then can we take our place in the galaxy of nations to which we are entitled. The press tells us that France has no faith in what is being said on the part of America. How can she have, or how can any other nation, until President Harding and his Secretary of State lay down the policy of America for the guidance of the world. [Applause.]

Mr. KELLEY of Michigan. Mr. Chairman, I ask unanimous consent to return to page 54, line 18, with reference to the proviso which was stricken out upon the point of order made by the gentleman from Indiana [Mr. FAIRFIELD].

The CHAIRMAN. The entire paragraph was stricken out.

Mr. FAIRFIELD. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. If there be no objection, the gentleman from Indiana withdraws his point of order with regard to the paragraph.

Mr. KELLEY of Michigan. Now, Mr. Chairman, I ask unanimous consent to return to the paragraph.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to return to line 9, page 54. Is there objection?

There was no objection.

Mr. DOWELL. Mr. Chairman, a parliamentary inquiry. After the Chair has made a ruling and it has been approved by the committee and the paragraph has been passed, it is not in order to withdraw a point of order.

The CHAIRMAN. Only by unanimous consent.

Mr. DOWELL. I think not even by unanimous consent, because the record is already made.

The CHAIRMAN. The Chair thinks the House by its unanimous consent can permit the gentleman to withdraw his point of order, which would vacate all the proceedings. Of course, it can not be done except by unanimous consent.

Mr. KELLEY of Michigan. I agreed with the gentleman from Indiana [Mr. FAIRFIELD] that this proviso was subject to a point of order, and as the Chair states, of course, that made the whole paragraph subject to a point of order, and it all went out of the bill.

The first part of the paragraph prohibits the employment of enlisted men in the departments in Washington, so if that went out of the bill there would be no limitation whatever on the subject, and the Secretary of the Navy could assign to the bureaus of the departments in Washington as many enlisted men to supplement the civilian force as he saw fit. Of course, the gentleman from Indiana did not want to accomplish that. In the next place, these 34 clerks who are now in the Bureau of Navigation are there in a more or less temporary capacity. If they are thrown out, in all probability in another body the amount of the appropriation for the Bureau of Navigation will be increased so as to permit the employment of 34 more civilian clerks, and they would then in all probability be continued indefinitely. It seemed to the committee that for this one year these 34 enlisted men might well be permitted to remain in the bureau. Therefore, I hope no one will make a point of order against the paragraph.

Mr. FAIRFIELD. It was on the assurance that this was not to be permanent law and that no effort would be made for a permanent transfer of enlisted men into the department that I withdrew the point of order.

Mr. DOWELL. Do these enlisted men receive the salaries of civilian clerks?

Mr. KELLEY of Michigan. No; they receive their enlisted pay, and this is the only case in the departments in Washington where enlisted men are so employed.

Mr. BLANTON. Has the gentleman asked that the whole paragraph be reincorporated into the bill?

Mr. KELLEY of Michigan. If the point of order is not made, I will ask to have the whole paragraph reinstated.

Mr. BLANTON. It would require an amendment providing that it be reinserted in the bill.

Mr. KELLEY of Michigan. I ask unanimous consent that the paragraph to which we have just referred, on page 54, beginning at line 9 and ending with line 16, be restored to the bill.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that the language be restored to the bill. Is there objection?

There was no objection.

Mr. KELLEY of Michigan. On page 9 of the bill, after line 12, a heading "Recreation for enlisted men," was omitted by the printer. I ask unanimous consent that that heading, "Recreation for enlisted men" may be inserted in the proper place.

The CHAIRMAN. Without objection, it will be so ordered.

There was no objection.

[By unanimous consent, Mr. FRENCH, Mr. OLIVER, and Mr. LINTHICUM were given leave to revise and extend their remarks on this bill.]

On motion of Mr. KELLEY of Michigan the committee rose; and the Speaker having resumed the chair, Mr. LONGWORTH, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the naval appropriation bill (H. R. 13374), had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. KELLEY of Michigan. I move the previous question on the bill and all amendments to the final passage.

The SPEAKER. The gentleman from Michigan moves the previous question on the bill and amendments to the final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on a ye amendment? If not, the Chair will put the amendments en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill as amended was ordered to be engrossed and read a third time, and was accordingly read the third time.

Mr. BLANTON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. The gentleman from Texas offers a motion to recommit, which the Clerk will report.

The Clerk read as follows:

Mr. BLANTON moves to recommit the bill to the Committee on Appropriations with instructions to report the same back to the House forthwith with the following amendment: On page 54, line 22, strike out "or other time-measuring device," and in line 24 strike out "or of the movements of any such employee while engaged upon such work."

Mr. KELLEY of Michigan. I move the previous question on the motion to recommit.

The SPEAKER. The gentleman from Michigan moves the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question being taken, on a division (demanded by Mr. BLANTON) there were—ayes 9, noes 103.

Mr. BLANTON. Mr. Speaker, I shall have to object to the vote on the ground that there is no quorum present. I think it is an important matter, on which we should have a roll call.

The SPEAKER. The gentleman from Texas makes a point of order that there is no quorum present. It is evident that there is no quorum present.

Mr. DUPRÉ. Mr. Speaker, I ask that the motion to recommit be read again before the roll call.

The SPEAKER. That is impossible, because the gentleman from Texas has made the point that there is no quorum present, and the Chair has declared that there is none.

Mr. LONGWORTH. I move a call of the House.

The SPEAKER. That is not necessary. The only thing in order is either a motion to adjourn or a roll call. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absent Members. As many as favor the motion to recommit will, as their names are called, vote "yea," those opposed "nay," and the Clerk will call the roll.

The question was taken; and there were—yeas 6, nays 228, answered "present" 2, not voting 194, as follows:

YEAS—6.

Anthony	Hoch	Tincher	Underhill
Blanton	Moore, Ind.		

NAYS—228.

Abernethy	Aswell	Beck	Bixler
Ackerman	Atkeson	Beedy	Bland, Va.
Anderson	Bacharach	Begg	Bowling
Appleby	Bankhead	Bell	Box
Arentz	Barbour	Benham	Brennan

Briggs	Funk	Lawrence	Ricketts
Buchanan	Gahn	Lazarus	Roach
Bulwinkle	Garner	Lea, Calif.	Robison
Burdick	Garrett, Tenn.	Leatherwood	Rogers
Burroughs	Gerner	Leibach	Rose
Butler	Gifford	Lineberger	Rouse
Byrnes, S. C.	Gilbert	Linthicum	Sanders, Ind.
Byrns, Tenn.	Glynn	Little	Sanders, Tex.
Campbell, Pa.	Goldsborough	Logan	Sandlin
Cannon	Graham, Ill.	London	Scott, Mich.
Carter	Green, Iowa	Longworth	Scott, Tenn.
Chalmers	Greene, Mass.	Lowrey	Shelton
Chandler, N. Y.	Greene, Vt.	Lyon	Sinclair
Chindblom	Hadley	McArthur	Sinnot
Christopherson	Hawes	McClintic	Smith, Idaho
Clague	Hawley	McCormick	Snell
Cockran	Hayden	McDuffie	Speaks
Cole, Iowa	Hersey	McLaughlin, Mich.	Sproul
Collier	Hickey	McPherson	Stafford
Colton	Hill	McSwain	Steagall
Connally, Tex.	Himes	MacGregor	Stephens
Cooper, Ohio	Hogan	MacLafferty	Stevenson
Cooper, Wis.	Hooker	Madden	Strong, Kans.
Cramton	Huddleston	Magee	Strong, Pa.
Crisp	Hudspeth	Mapes	Summers, Wash.
Crowther	Hukriede	Michaelson	Summers, Tex.
Curry	Hull	Michener	Swank
Dale	Humphrey, Nebr.	Miller	Swing
Dallinger	Husted	Montoya	Taylor, Tenn.
Darrow	Ireland	Moore, Ohio	Temple
Davis, Tenn.	Jefferis, Nebr.	Moore, Va.	Thompson
Denison	Johnson, Ky.	Morgan	Thorpe
Dickinson	Johnson, Wash.	Mudd	Tilson
Domlnick	Jones, Tex.	Murphy	Timberlake
Dowell	Kearns	Nelson, Me.	Towner
Driver	Keller	Nelson, A. P.	Treadway
Dupré	Kelley, Mich.	Nelson, J. M.	Turner
Elliott	Kelly, Pa.	Newton, Minn.	Tyson
Evans	Ketcham	Newton, Mo.	Upshaw
Fairfield	Kincheloe	Norton	Valle
Faust	King	O'Connor	Volstead
Favrot	Kissel	Oliver	Wason
Fenn	Klecza	Parks, Ark.	Watson
Fields	Kline, Pa.	Patterson, N. J.	White, Kans.
Fish	Knutson	Purnell	White, Me.
Fisher	Kopp	Quin	Williams, Ill.
Fitzgerald	Kraus	Raker	Williamson
Fordney	Lampert	Rankin	Wilson
Foster	Lanham	Ransley	Wingo
French	Lankford	Rayburn	Woods, Va.
Fuller	Larsen, Ga.	Reece	Wyant
Fulmer	Larson, Minn.	Reed, W. Va.	Zihlman

ANSWERED "PRESENT"—2.

Parker, N. J.

NOT VOTING—194.

Almon	Fairchild	Luhring	Sanders, N. Y.
Andrew, Mass.	Fess	McFadden	Schall
Andrews, Nebr.	Focht	McKenzie	Sears
Ansorge	Frear	McLaughlin, Nebr.	Shaw
Barkley	Free	McLaughlin, Pa.	Shreve
Blrd	Freeman	Maloney	Siegel
Blakeney	Frothingham	Mansfield	Sisson
Bland, Ind.	Gallivan	Martin	Slemp
Boles	Garrett, Tex.	Mead	Smith, Mich.
Bond	Gensman	Merritt	Smithwick
Bowers	Goodykoontz	Mills	Snyder
Brand	Gorman	Mondell	Stedman
Britten	Gould	Montague	Steenerson
Brooks, Ill.	Graham, Pa.	Moore, Ill.	Stiness
Brooks, Pa.	Griest	Morin	Stoll
Brown, Tenn.	Griffin	Mott	Sullivan
Browne, Wis.	Hammer	O'Brien	Sweet
Burke	Hardy, Colo.	Ogden	Tague
Burtness	Hardy, Tex.	Oldfield	Taylor, Ark.
Burton	Haugen	Olpp	Taylor, Colo.
Cable	Hays	Osborne	Taylor, N. J.
Campbell, Kans.	Henry	Overstreet	Ten Eyck
Cantrill	Herrick	Paige	Thomas
Carew	Hicks	Park, Ga.	Tillman
Chandler, Okla.	Huck	Parker, N. Y.	Tinkham
Clark, Fla.	Humphreys, Miss.	Patterson, Mo.	Tucker
Clarke, N. Y.	Hutchinson	Paul	Vare
Classon	Jacaway	Perkins	Vestal
Clouse	James	Perlman	Vinson
Codd	Jeffers, Ala.	Petersen	Voigt
Cole, Ohio	Johnson, Miss.	Porter	Volk
Collins	Johnson, S. Dak.	Pou	Walters
Connolly, Pa.	Jones, Pa.	Pringley	Ward, N. Y.
Copley	Kahn	Radcliffe	Ward, N. C.
Coughlin	Kendall	Rainey, Ala.	Weaver
Crago	Kennedy	Rainey, Ill.	Webster
Cullen	Kiess	Ramsayer	Wheeler
Davis, Minn.	Kindred	Reber	Williams, Tex.
Deal	Kirkpatrick	Reed, N. Y.	Winslow
Dempsey	Kitchin	Rhodes	Wise
Doughton	Kline, N. Y.	Riddick	Wood, Ind.
Drane	Knight	Riordan	Woodruff
Drewry	Kreider	Robertson	Woodyard
Dunbar	Kunz	Rodenberg	Wright
Dunn	Langley	Rosenbloom	Wurzbach
Dyer	Layton	Rossdale	Yates
Echols	Lee, Ga.	Rucker	Young
Edmonds	Lee, N. Y.	Ryan	
Ellis	Luce	Sabath	

So the motion to recommit was rejected.

The following pairs were announced:

Until further notice:

Mr. Langley with Mr. Clark of Florida.

Mr. Dunbar with Mr. Brand.

Mr. Mills with Mr. Pou.

Mr. Vestal with Mr. Collins.
 Mr. Radcliffe with Mr. Almon.
 Mr. Wurzbach with Mr. Martin.
 Mr. Edmonds with Mr. Ward of North Carolina.
 Mr. Andrew of Massachusetts with Mr. Gallivan.
 Mr. Brooks of Illinois with Mr. Sears.
 Mr. Luhring with Mr. Jeffers of Alabama.
 Mr. Shreve with Mr. Tague.
 Mr. Ward of New York with Mr. Kitchin.
 Mr. Merritt with Mr. Thomas.
 Mr. Voigt with Mr. Vinson.
 Mr. Winslow with Mr. Mansfield.
 Mr. Dunn with Mr. Barkley.
 Mr. Moore of Illinois with Mr. Mead.
 Mr. Cole of Ohio with Mr. Williams of Texas.
 Mr. Burton with Mr. Black.
 Mr. Kahn with Mr. Griffin.
 Mr. Rhodes with Mr. Smithwick.
 Mr. Porter with Mr. Doughton.
 Mr. Woodruff with Mr. Riordan.
 Mr. Britten with Mr. Oldfield.
 Mr. Kiess with Mr. Cantrill.
 Mr. Codd with Mr. Wright.
 Mr. Taylor of New Jersey with Mr. Montague.
 Mr. Reed of New York with Mr. Weaver.
 Mr. Paige with Mr. Stedman.
 Mr. Wood of Indiana with Mr. Kunz.
 Mr. Osborne with Mr. Carew.
 Mr. Yates with Mr. Wise.
 Mr. Graham of Pennsylvania with Mr. Hardy of Texas.
 Mr. Dempsey with Mr. Park of Georgia.
 Mr. Griest with Mr. Cullen.
 Mr. Free with Mr. Sabath.
 Mr. Patterson of Missouri with Mr. Deal.
 Mr. Olpp with Mr. O'Brien.
 Mr. Echols with Mr. Rainey of Illinois.
 Mr. Focht with Mr. Drane.
 Mr. Frothingham with Mr. Sisson.
 Mr. Gorman with Mr. Hammer.
 Mr. Perkins with Mr. Kindred.
 Miss Robertson with Mr. Lee of Georgia.
 Mr. Browne of Wisconsin with Mr. Tucker.
 Mr. Snyder with Mr. Stoll.
 Mr. McFadden with Mr. Humphreys of Mississippi.
 Mr. Webster with Mr. Drewry.
 Mr. Mondell with Mr. Rucker.
 Mr. Vare with Mr. Sullivan.
 Mr. Kendall with Mr. Tillman.
 Mr. Campbell of Kansas with Mr. Garrett of Texas.
 Mr. Clarke of New York with Mr. Johnson of Mississippi.
 Mr. Davis of Minnesota with Mr. Taylor of Colorado.
 Mr. Rosenbloom with Mr. Rainey of Alabama.
 Mr. Hutchinson with Mr. Jacoway.
 Mr. Connolly of Pennsylvania with Mr. Overstreet.
 Mr. Johnson of South Dakota with Mr. Taylor of Arkansas.
 The result of the vote was announced as above recorded. A quorum being present, the doors were opened.
 The SPEAKER. The question is on the passage of the bill.
 The question was taken, and the bill was passed.
 On motion of Mr. KELLEY of Michigan, a motion to reconsider the vote whereby the bill was passed was laid on the table.

AGRICULTURAL APPROPRIATION BILL.

Mr. ANDERSON, by direction of the Committee on Appropriations, reported the bill (H. R. 13481; Rept. 1295) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1924, and for other purposes, which, with accompanying papers, was ordered printed and referred to the Committee of the Whole House on the state of the Union.

Mr. BUCHANAN reserved all points of order.

CONFERENCE REPORT—STATE AND JUSTICE APPROPRIATION BILL (H. REPT. NO. 1296).

Mr. MADDEN. Mr. Speaker, on behalf of the gentleman from New York [Mr. HUSTED], I present a conference report upon the bill (H. R. 13232) making appropriations for the Departments of State and Justice and for the judiciary for the fiscal year ending June 30, 1924, and for other purposes, for printing under the rule.

The conference report and statement are as follows:

CONFERENCE REPORT.

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13232) making appropriations for the Departments of State and Justice and for the judiciary for the fiscal year ending

June 30, 1924, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 6, 7, 11, 13, 15, 21, 22, and 23.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 8, 9, 10, 12, 16, 17, and 18, and agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed, insert "\$925,000"; and the Senate agree to the same.

The committee of conference have not agreed upon amendments numbered 1, 2, 5, 14, 19, 24, and 25.

CHARLES CURTIS,
F. E. WARREN,
H. C. LODGE,
LEE S. OVERMAN,

Managers on the part of the Senate.

JAMES W. HUSTED,
ROBERT E. EVANS,
EDWARD T. TAYLOR,

Managers on the part of the House.

STATEMENT.

Statement of the managers on the part of the House.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13232) making appropriations for the Departments of State and Justice and for the judiciary for the fiscal year ending June 30, 1924, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conference committee and submitted in the accompanying conference report:

DEPARTMENT OF STATE.

On No. 3: Inserts the proviso proposed by the Senate prohibiting the expenditure of the appropriation for "transportation of diplomatic and consular officers" for transportation on foreign vessels without a certificate from the Secretary of State that there are no American vessels on which such officers and clerks may be transported.

On No. 4: Strikes out the appropriation of \$4,200 inserted by the Senate for payment to Leonore M. Sorsby, daughter and only child of William B. Sorsby, late envoy extraordinary and minister plenipotentiary of the United States to Bolivia.

On No. 6: Appropriates \$150,000 as proposed by the House, instead of \$200,000 as proposed by the Senate, for post allowances to diplomatic and consular officers.

On Nos. 7 and 8: Appropriates \$25,913.50 as proposed by the House, instead of \$20,000 as proposed by the Senate, for the International Boundary Commission, United States and Mexico, and eliminates the language, inserted by the House and stricken out by the Senate, providing for the detail of an Engineer officer of the Army to act as consulting engineer for the commission.

On No. 9: Appropriates \$66,370, as proposed by the Senate, instead of \$60,000, as proposed by the House, for payment of expenses in connection with the arbitration of outstanding pecuniary claims between the United States and Great Britain.

DEPARTMENT OF JUSTICE.

On No. 10: Appropriates \$6,500, as proposed by the Senate, instead of \$6,000, as proposed by the House, for furniture for the Department of Justice.

On No. 11: Appropriates \$40,000, as proposed by the House, instead of \$45,000, as proposed by the Senate, for miscellaneous items for the Department of Justice.

On Nos. 12 and 17: Transfers the appropriation of \$35,000 for printing and binding for the Court of Claims from the general appropriation for printing for the Department of Justice to a separate item for that purpose under the appropriations for that court.

On No. 13: Appropriates \$60,000, as proposed by the House, instead of \$65,000, as proposed by the Senate, for defending suits in claims against the United States.

On No. 15: Appropriates \$200,000, as proposed by the House, instead of \$230,000, as proposed by the Senate, for the enforcement of antitrust laws.

On No. 16: Inserts the appropriation of \$7,500 for the salary of the district judge for Porto Rico and corrects a typographical error in the text of the bill.

On No. 18: Appropriates \$2,300,000, as proposed by the Senate, instead of \$2,275,000, as proposed by the House, for United States marshals and their deputies.

On No. 20: Appropriates \$925,000, instead of \$900,000, as proposed by the House, and \$950,000, as proposed by the Senate, for the salaries of United States district attorneys, etc.

On No. 21: Appropriates \$1,400,000, as proposed by the House, instead of \$1,450,000, as proposed by the Senate, for salaries of clerks of United States courts, etc.

On No. 22: Appropriates \$275,000, as proposed by the House, instead of \$300,000, as proposed by the Senate, for bailiffs and criers for United States courts.

On No. 23: Appropriates \$650,000, as proposed by the House, instead of \$700,000, as proposed by the Senate, for miscellaneous expenses of United States courts.

The committee of conference have not agreed upon the following amendments of the Senate:

On No. 1: Changing the title of the "counselor for the department" to "Undersecretary of State."

On No. 2: Relating to the appointment of clerks at embassies and legations.

On No. 5: Appropriating one year's salary (\$4,500) to the widow of William W. Masterson, late consul to Plymouth, England.

On No. 14: Relating to the use of an automobile for the Bureau of Investigation, Department of Justice.

On No. 19: Relating to the transfer of two automobiles to the United States marshal of the District of Columbia.

On Nos. 24 and 25: Relating to the appropriation of \$4,000 for the construction of a physician's residence at the Leavenworth (Kans.) Penitentiary.

JAMES W. HUSTED,
ROBERT E. EVANS,
EDWARD T. TAYLOR,

Managers on the part of the House.

EXTENSION OF REMARKS.

Mr. LOGAN. Mr. Speaker, I ask unanimous consent to extend and revise my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. GARRETT of Tennessee. Mr. Speaker, on behalf of the gentleman from Florida [Mr. SEARS], who has just been called from the Chamber, I ask unanimous consent that he may extend his remarks in the RECORD upon the naval appropriation bill.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that the gentleman from Florida [Mr. SEARS] may extend his remarks upon the naval appropriation bill. Is there objection?

There was no objection.

LEAVES OF ABSENCE.

By unanimous consent leave of absence was granted to—

Mr. McDUFFIE, for 10 days, on account of important business.

Mr. STEENERSON, at the request of Mr. VOLSTEAD, on account of sickness.

Mr. JEFFERS of Alabama, for two days, at the request of Mr. OLIVER, on account of official business.

ADJOURNMENT.

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 5 o'clock and 32 minutes p. m.) the House adjourned until to-morrow, Tuesday, December 19, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

837. A communication from the President of the United States, transmitting, with a letter from the Director of the Bureau of the Budget, a supplemental estimate of appropriation for the War Department for the fiscal year ending June 30, 1923, to cover the payment of claims for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army, \$85,692.17 (H. Doc. No. 507); to the Committee on Appropriations and ordered to be printed.

838. A communication from the President of the United States, transmitting estimate of appropriation for the Supreme Court of the United States, being an alternate estimate for the fiscal year ending June 30, 1924, carrying an increase of \$600 over the estimates as contained in the Budget for that fiscal year, and a supplemental estimate for the fiscal year ending June 30, 1923, in the sum of \$300 (H. Doc. No. 508); to the Committee on Appropriations and ordered to be printed.

839. A communication from the President of the United States, transmitting, with a letter from the Director of the

Bureau of the Budget, an estimate of appropriation for the District of Columbia for the fiscal year ending June 30, 1924, for the Columbia Hospital for Women and Lying-in Asylum, \$20,000 (H. Doc. No. 509); to the Committee on Appropriations and ordered to be printed.

S40. A communication from the President of the United States, transmitting, with a letter from the Director of the Bureau of the Budget, supplemental and deficiency estimates of appropriations for the Department of State for the fiscal year ending June 30, 1923, and prior fiscal years, amounting to \$67,065.31 (H. Doc. No. 510); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII.

Mr. HUMPHREYS of Mississippi: Committee on Flood Control. H. R. 13459. A bill extending the jurisdiction of the Mississippi River Commission and making available funds appropriated under authority of an act entitled "An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes," approved March 1, 1917, for the purpose of controlling the floods of the Mississippi River from the mouth of the Ohio River to Rock Island, Ill., and for the purpose of controlling the floods of the tributaries of the Mississippi River between the mouth of the Ohio River and Rock Island, Ill., including levee protection and bank protection, in so far as said tributaries are affected by the flood waters of the Mississippi River; without amendment (Rept. No. 1294). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOORES of Indiana: Joint Select Committee on Disposition of Useless Executive Papers. House Report 1293. A report on the disposition of useless papers in the Department of Labor. Ordered to be printed.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Claims was discharged from the consideration of the bill (S. 3048) for the relief of L. D. Riddell and George W. Hardin, trustees of Milligan College, Tennessee, and the same was referred to the Committee on War Claims.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. FULLER: A bill (H. R. 13474) granting the consent of Congress to the county of Winnebago, the town of Rockford, and the city of Rockford, in said county, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Rock River; to the Committee on Interstate and Foreign Commerce.

By Mr. SANDERS of Indiana: A bill (H. R. 13475) to authorize the Secretary of the Interior to issue to certain persons and certain corporations permits to explore or leases of certain lands that lie south of the medial line of the main channel of the Red River in Oklahoma, and for other purposes; to the Committee on the Public Lands.

By Mr. SUMNERS of Texas: A bill (H. R. 13476) amendatory of and supplemental to an act entitled "An act to incorporate the Texas Pacific Railroad Co., and to aid in the construction of its road, and for other purposes," approved March 3, 1871, and acts supplemental thereto, approved, respectively, May 2, 1872, March 3, 1873, and June 22, 1874; to the Committee on Interstate and Foreign Commerce.

By Mr. HOGAN: A bill (H. R. 13477) to create the arbitration commission, United States Shipping Board, and to amend the merchant marine act, 1920, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. FOCHT: A bill (H. R. 13478) to amend the insurance laws of the District of Columbia; to the Committee on the District of Columbia.

By Mr. NELSON of Maine: A bill (H. R. 13479) to provide for the purchase of a site and the erection of a public building thereon at Pittsfield, Me.; to the Committee on Public Buildings and Grounds.

By Mr. MONDELL: A bill (H. R. 13480) granting the consent and approval of Congress to the Colorado River compact; to the Committee on Irrigation of Arid Lands.

By Mr. ANDERSON: A bill (H. R. 13481) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1924, and for other purposes; to the Committee of the Whole House on the state of the Union.

By Mr. BEGG: Joint resolution (H. J. Res. 414) authorizing a special committee to consider the readjustment of the laws providing for the retirement and retainer pay of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service; to the Committee on Rules.

By Mr. BRENNAN: Resolution (H. Res. 473) directing the Federal fuel distributor to report to the House of Representatives as expeditiously as possible the amount of anthracite coal shipped to foreign countries since September 22, 1922, and the advisability of establishing an embargo on the same, and for other purposes; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FORDNEY: A bill (H. R. 13482) to refund to Clinton G. Edgar income tax erroneously and illegally collected; to the Committee on Claims.

By Mr. HUTCHINSON: A bill (H. R. 13483) granting a pension to Mary E. Schapley; to the Committee on Pensions.

By Mr. KEARNS: A bill (H. R. 13484) granting an increase of pension to John Dudley; to the Committee on Pensions.

By Mr. NELSON of Maine: A bill (H. R. 13485) granting a pension to Thomas C. Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13486) granting a pension to Stephen H. Warren; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13487) granting an increase of pension to Edward G. Williams; to the Committee on Pensions.

By Mr. PURNELL: A bill (H. R. 13488) granting an increase of pension to Mary J. Brewer; to the Committee on Invalid Pensions.

By Mr. ROACH: A bill (H. R. 13489) granting a pension to William R. McCrory; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 13490) for the relief of the William J. Oliver Manufacturing Co. and William J. Oliver, of Knoxville, Tenn.; to the Committee on Claims.

By Mr. VOLSTEAD: A bill (H. R. 13491) granting a pension to Hannah Case; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6627. By the SPEAKER (by request): Petition of the Ukrainian American Citizens' League of Nations, of Bridgeport, Conn., favoring a protest by the United States Government against the atrocities committed by the Polish Government in the Ukraine; to the Committee on Foreign Affairs.

6628. Also (by request), petition of the political action commission of the Chicago Church Federation, protesting against the passage of the so-called Bursum bill in the Senate; to the Committee on Indian Affairs.

6629. Also (by request), petition of members of Mizpah Chapter, No. 49, Order of the Eastern Star, Pittsburgh, Pa., and citizens of Pennsylvania, asking for the passage of the Towner-Sterling bill for the creation of a department of education; to the Committee on Education.

6630. By Mr. CURRY: Petition of the California Wool Growers' Association, requesting Federal aid in exterminating predatory animals; to the Committee on Appropriations.

6631. Also, petition of residents of Sacramento, Calif., opposing excise tax on small-arms ammunition and firearms; to the Committee on Ways and Means.

6632. By Mr. FAUST: Petition of 59 citizens of St. Joseph, Mo., favoring the abolishment of the discriminatory tax on small-arms ammunition and firearms; to the Committee on Ways and Means.

6633. By Mr. GARRETT of Tennessee: Petition of citizens of Tennessee, favoring the abolishment of the discriminatory tax on small-arms ammunition and firearms; to the Committee on Ways and Means.

6634. By Mr. KISSEL: Petition of Donald A. Campbell, Esq., Rochester, N. Y., favoring the passage of the Green resolution to amend the Constitution of the United States; to the Committee on the Judiciary.

6635. Also, petition of the Northwest Savings Bank, Washington, D. C., protesting against the action of the Comptroller of the Currency permitting the establishment of a branch of the Riggs Bank in northwest Washington; to the Committee on Banking and Currency.

6636. By Mr. LINTHICUM: Petitions of the Maryland Audit Co., G. Harvey Porter, Wilmer Black, and J. R. Eder, all of Baltimore, Md., favoring the Capper bill; to the Committee on the District of Columbia.

6637. Also, petition of Henry P. Bridges, secretary of the Woodmont Rod and Gun Club, favoring passage of the public shooting ground or game refuge bill; to the Committee on Agriculture.

SENATE.

TUESDAY, December 19, 1922.

(Legislative day of Saturday, December 16, 1922.)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

TASKER L. ODDIE, a Senator from the State of Nevada, appeared in his seat to-day.

Mr. McKELLAR. Mr. President, I make the point of no quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Fernald	Lodge	Reed, Mo.
Ball	Fletcher	McCumber	Robinson
Bayard	France	McKellar	Sheppard
Borah	Frelinghuysen	McKinley	Shortridge
Brandegee	George	McLean	Simmons
Brookhart	Gerry	McNary	Smith
Broussard	Glass	Moses	Smoot
Bursum	Gooding	Nelson	Spencer
Calder	Harrell	New	Stanley
Cameron	Harris	Nicholson	Sutherland
Capper	Harrison	Norbeck	Townsend
Caraway	Heflin	Norris	Trammell
Colt	Hitchcock	Oddie	Underwood
Couzens	Johnson	Overman	Wadsworth
Culberson	Jones, Wash.	Page	Walsh, Mass.
Cummins	Kendrick	Pepper	Walsh, Mont.
Curtis	King	Phipps	Warren
Dial	Ladd	Pittman	Weller
Dillingham	La Follette	Pomerene	
Ernst	Lenroot	Ransdell	

Mr. PHIPPS. I wish to announce that the Senator from Washington [Mr. POINDEXTER], the Senator from Maine [Mr. HALE], the Senator from New Hampshire [Mr. KEYES], and the Senator from Virginia [Mr. SWANSON], are in attendance at a hearing before the Committee on Appropriations.

Mr. CURTIS. I wish to announce that the Senator from Ohio [Mr. WILLIS] is necessarily absent on account of illness in his family.

The PRESIDENT pro tempore. Seventy-eight Senators have answered to their names. There is a quorum present. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhues, its enrolling clerk, announced that the House had passed without amendment the bill (S. 4100) to amend section 9 of the trading with the enemy act, as amended.

The message also announced that the House had passed a bill (H. R. 13374) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1924, and for other purposes, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13316) making appropriations for the Departments of Commerce and Labor for the fiscal year ending June 30, 1924; had receded from its disagreement to the amendments of the Senate numbered 1 and 3 to the bill, and agreed to the same; and that the House had receded from its disagreement to the amendment of the Senate numbered 4 and agreed to the same with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13180) making appropriations for the Treasury Department for the fiscal year ending June 30, 1924, and for other purposes, and had receded from its disagreement to the amendments of the Senate numbered 1, 2, and 3 to the bill and agreed to the same.

PETITIONS AND MEMORIALS.

The PRESIDENT pro tempore laid before the Senate a communication from the board of supervisors of the city and county of San Francisco, Calif., memorializing Congress, pursuant to a vote of the citizens of that city and county, for an amendment

of existing law permitting the manufacture and use of light wines and beer for beverage purposes, which was ordered to lie on the table.

Mr. CALDER presented a petition of sundry citizens of Brooklyn and vicinity, in the State of New York, praying for the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

Mr. CAPPER presented a resolution adopted by Odessa Local, No. 157, Farmers' Equity and Cooperative Union of America, of Winfield, Kans., protesting against passage of the so-called ship subsidy bill, which was ordered to lie on the table.

Mr. LADD presented the memorial of C. Shajerman and 28 others of Bathgate, N. Dak., remonstrating against the passage of the so-called ship subsidy bill, which was ordered to lie on the table.

He also presented petitions of 74 citizens of Griggs and Foster Counties and 166 citizens of Portland and vicinity, in the State of North Dakota, praying for the prompt passage of legislation stabilizing the prices of farm products, which were referred to the Committee on Agriculture and Forestry.

HOWARD W. AMBRUSTER ON THE ARSENIC SITUATION.

Mr. FRELINGHUYSEN. I ask permission to have inserted in the RECORD an article on the calcium arsenate situation that I think will be very interesting to the farmers of the country.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

BOUND BROOK, N. J., December 7, 1922.

The Hon. JOSEPH FRELINGHUYSEN,
Senate Office Building, Washington, D. C.

DEAR SIR: In view of the recent adoption of the resolution introduced by Senator Smith of South Carolina calling upon the Federal Trade Commission to investigate the present arsenic and calcium arsenate situation in relation to the problem of boll-weevil control, it occurs to me that you might be interested in some articles written by that well-recognized expert on this subject, Howard W. Ambruster.

Mr. Ambruster was the man who designed, built, and operated the largest calcium-arsenate plant in the world. It is located right here in Boundbrook and was owned originally by Mr. Frank Hemingway, whom you may know personally.

It seems to me as a close student of this problem of boll-weevil control that it might be extremely valuable to the cotton growers if these articles were spread on the records of the United States Senate, so that copies might be sent to those who stand to profit most from the information contained therein, namely, the southern cotton growers.

Very truly yours,

PAUL McMICAL.

[Reprinted from November 27, 1922, issue of Oil, Paint, and Drug Reporter, 100 William Street, New York.]

WHENCE WILL COME THE ARSENIC?

Arsenic, being wholly a by-product, is, productively speaking, immune from the stimulating influence of demand. The supply is measured solely by the activity of production in the metallurgical field, especially copper, and the price of arsenic would have to rise far, far above even to-day's high level before smelting for the sake of getting the arsenic content of a metallic ore could be looked upon as a profitable undertaking.

Under normal conditions in metallurgy this country produces something like 15,000 tons of arsenic a year. In the years when that output was normal almost the entire quantity found ready consumption. What could be the effect of adding a demand for some 4,000 tons for the manufacture of calcium arsenate? The answer will clarify, but it will not relieve, the situation resulting from the enormous demand for calcium arsenate to combat the cotton-boll weevil. Metallurgical operations are not now normal; they have been subnormal for several years. Need one seek further for evidence that there is a shortage of arsenic? The high price now prevailing has a very substantial *raison d'être*.

The cotton planter is faced not by a shortage of calcium arsenate, or a "corner" in that product, but by the stubborn fact that manufacturers of the desired insecticide are extremely hard put to get the raw material to make it out of. There is no lack of firms ready to make calcium arsenate and market it at a reasonable price, and new ones are looking for an opening every day; but to get arsenic—and the arsenate is 40 per cent arsenic—the manufacturer has to bid against the industries which in former years took the greater portion of the available supply, and even then he finds that the smelters have a tendency to take care of their older customers first.

Arsenic can be produced otherwise than as a by-product of smelting. There are several arsenical minerals deposited in different sections of the United States. But no process has as yet been devised for making arsenic from orpiment, realgar, mispickel, and other native minerals at a price which would afford relief from existing market conditions. A few firms are producing arsenic direct, or are about ready to do so, but they will not be able to offer it at a bargain.

Orpiment, practically the most promising arsenical mineral, which contains 50 per cent of arsenic, has been located only in Utah. Realgar, which contains 70 per cent of arsenic, is found in Utah and Washington. Nevada and Washington have deposits of other minerals of good arsenic content. Mispickel (arsenical iron pyrites) is more widely distributed, deposits having been located in 17 States. These minerals offer a potential primary source of calcium arsenate, or of some equally effective compound of arsenic. Their practical application in the boll-weevil fight requires, however, a great deal of development.

There is talk in some of the cotton States of cooperative or State calcium arsenate plants. If we may make a suggestion in this connection it is this: First get the arsenic. Mispickel deposits exist in Georgia, Arizona, North Carolina, and Virginia (to name only the locations convenient to the cotton belt). Perhaps the State universities can be induced to study the problem of turning these deposits to